

### **SPACE COMPETITION**

# Experts Warn CCP Space Program Is 'Direct Military Threat'

### **ANDREW THORNEBROOKE**

The Chinese Communist Party's (CCP) activities in outer space present a unique threat to international security that U.S. leadership and the public are only starting to fully appreciate, experts say. Of key importance are the CCP's blurring of civil and military pursuits and its efforts to exploit U.S. satellite networks.

Central to the CCP's attempts to dominate space is its national strategy of military-civil fusion, in which the regime seeks the wholesale erosion of any barrier between the civilian and military domains.

The military-civil fusion strategy aims to transform the People's Liberation Army (PLA) into the world's preeminent military force by 2049, the centennial anniversary of communist rule on the Chinese mainland, and its implementation is directly overseen the PLA. To that end, Crespo believes that by Chinese leader Xi Jinping, according to the U.S. State Department.

The PLA maintains near-total oversight of all aspects of CCP space programs as part of the fusion strategy. This includes the employment of all Chinese astronauts (taikonauts) and the operation of satellite

CCP research or commercial efforts in **Gray-Zone Conflict the New Norm** space are therefore likely to augment the military missions.

### No Civil-Military Divide

Li Xiaobing, professor of history and Don Betz Endowed Chair of international studies at the University of Central Oklahoma, spoke to the challenges of thinking about civilian sectors and the problems posed internationally by such a strategy.

"It's hard to separate because it's a differ-

"The civil-military relationship in China is integrated so that it's a double-function space program for both commercial and military purposes at the same time."

That double function makes assessing the potential security threat of any given CCP space program difficult, according to Li, as it creates a certain ambiguity as to whether it's the military or civilian function that's intended to be dominant.

For Paul Crespo, president of the Center

for American Defense Studies and managing editor at American Defense News, the problems associated with double function always tilt toward a military application when dealing with the CCP.

"Everything has dual-use," Crespo told The Epoch Times. "Yes, there is some scientific research being done, there's some generic civilian technology being created, but the primary focus, in my opinion, is military. Everything else takes second place to the military aspect."

Crespo, who previously served as a Marine officer with the Defense Intelligence Agency, also underscored that a major difference between the CCP's fusion strategy and the current U.S. strategy is that the CCP seeks the total integration of cyber warfare into all other elements of its military, including the space operations overseen by no meaningful differentiation can be made between the military and civilian spheres in the CCP's grand strategy.

"They consider it all one package," Crespo said. "As far as I'm concerned, there is no civil-military divide in China when it comes to national objectives."

Conversely, the existence of military applications in space research doesn't indicate by its very nature the existence of hostile intent or imply that the current state of affairs in space is entirely novel or unusual.

Gary Prater, a fellow at the Center for American Defense Studies, noted that most nations with assets in space seek to the CCP in terms of separate military and leverage the associated technologies and research to augment national security efforts in one way or another.

"Space is and has been militarized since ent system," Li told The Epoch Times. "In the first satellite launched to space to imthe West, especially in the U.S., you've got age other countries' military forces, bases, that objective based on the current trends." a private sector and the government. But missile facilities, and factories," Prater told in China, the government runs both the The Epoch Times. "China, Russia, the U.S., civilian and commercial sectors and the and many other countries use space assets for military benefits."

Prater noted the importance of space missions in augmenting capabilities related to a broad number of fields, including communications; GPS; and intelligence, surveillance, and reconnaissance (ISR)

Still, the relative regularity of military applications in space operations doesn't mean that there's no threat posed to the international community by CCP space programs and that all is business as usual.

According to Li, the growing prevalence of cybercrime and cyber warfare may lead to a new uptick in hostilities in outer space, as nations become more willing to engage in so-called gray-zone conflict, where hostilities stop short of direct human casualties.

"The American public, including some experts, watch too much TV with war stories like Afghanistan," Li said. "China has a new concept. The future of war is in space.

"It is easier to make a war decision in space. Killing American people or attacking aircraft carriers, that could be hard. But what if you just shut down a couple [of] satellites? Is that war? People do not have that level of sensitivity about space attacks." With that in mind, the CCP continues to invest heavily in new satellite clusters, antisatellite weapons, and electronic warfare packages designed to shut down the United States' access to its own satellite network. Earlier this year, Chinese state-owned media announced that the state-owned China Telecom corporation would launch 10,000 satellites over the course of the next 5 to 10 years.

The goal of 10,000 satellites appears aspirational at this point, according to databases maintained by several satellite pass predictors, including N2YO and Heavens-Above, as the current number of Chinese satellites in orbit is less than 480.

Such a goal isn't impossible, however. The CCP's focus on so-called informationalized conflicts, or conflicts in which information technologies are crucial to victory, after its military reforms in 2015, could funnel monumental amounts of cash toward sat-

"They have the resources, they have the money, they have the vision, and they have the determination," Crespo said. "I don't see anything keeping them from achieving

ing the threat of gray-zone conflict in space vulnerability of the weakest links of U.S. quite seriously and recently announced several initiatives designed to shore up the defenses of its aging space infrastructure, as well as to create new means of building

resiliency for its satellite systems. In July alone, the U.S. Space Force delivered the fourth of five planned software upgrades to its satellite communications system intended to provide increased support for mission planning. The Space Force also announced the opening of a new satellite operations center at the Kirtland Air Force Base dedicated to improving the nation's space warfighting capabilities. The National Reconnaissance Office an-

nounced that it would pursue a more distributed satellite architecture with many more satellites placed in multiple orbits to prevent the catastrophic loss of satellite communication in the event of an attack. President Joe Biden also warned that cyber

attacks could end up causing an actual war. However, these efforts may be just the beginning, as U.S. satellite arrays currently mark one of the most vulnerable parts of U.S. defense and security systems.

"China's desire and ambition is pretty clear," Li said. "It's to compete against oth-The United States now appears to be takers, especially the U.S., by targeting the programs, such as the satellites."

### CCP a 'Direct Military Threat'

When asked whether the United States was dedicating enough resources to effectively ensure that the CCP wouldn't pose a serious threat in space, Li spoke plainly. "Not in terms of satellite defense.

Crespo agreed, saying, "If we don't put in a lot more money, a lot more time, and a lot more thinking into this, we're going to fall behind in the one area where we really can't afford to."

He also highlighted the centrality of U.S. satellites to the ongoing tensions between the Chinese regime and the United States, as well as their broader importance to the cyber-centric nature of the contemporary

gray-zone conflict. "You don't have to necessarily knock down our satellites, you just have to destroy our capability to communicate with them or to control them," Crespo said. "So, the cyber capabilities are an integral part of their [the CCP's] space project.

"They would more than likely save a kinetic attack on satellites as a last resort, because that is still much more of a clear line of military attack. They would much prefer, and they've developed the ability to increasingly do all those things, through cyber, where they can still have some deniability."

Li and Crespo also agreed on the fact that the CCP and the extent of its ambitions aren't fully understood by many in the United States, whether they're in the public or private spheres.

"We don't do enough here in the United States in the media to highlight the Chinese threat or [their] accomplishments. We ignore it sometimes as propaganda," Crespo said. "Their level of accomplishment in the space domain is unprecedented, and it's

As far as I'm concerned, there is no civil-military divide in China when it comes to national

Paul Crespo, president, Center for American Defense Studies

objectives.

only happened in the last handful of years. "I think if the American people knew much more about what the Chinese Communist Party and nation are doing, they

would be a lot more concerned."

Li explained that the CCP initiated its military efforts in space because party leadership knew that the ability to get the better of Western powers in space would be essential to winning any potential war. "The next war is going to be in space,"

According to Li, the outcome of the next war will depend on how quickly the United States and its allies adapt to the reality of

"The current U.S. administration, as well

as other Western countries, did not have a long-term policy to deal with China's space program," he said. "It's very reactive, a reaction-based policy. It's wait and see." The two experts also warned that the

CCP's control of space programs through the PLA increases the likelihood of further space militarization and either deliberate or accidental damage to vital space infrastructure through gray-zone conflict. "China is going to send its first space sta-

tion next year," Li said, "which will serve the purposes of the military."

Crespo noted that the CCP views the control held by the United States in space as both one of its greatest strengths and one of its biggest weaknesses.

GREG BAKER/AFP VIA GETTY IMAGES

space station

A Long March-2F carrier rocket, carrying the Shenzhou-12 spacecraft and a crew of three astronauts, lifts off from the Jiuquan Satellite Launch Centre in the Gobi desert, in northwest China on June 17, 2021, the first crewed mission to China's new

"They see the United States' dominance in space as being central to the nation's ability to project power. And it's also its greatest weakness," he said. "Without neutralizing us in space, they don't think they can ever win a war. So, it's absolutely No. 1 priority for them to be able to counter the United States if not eventually displace the

United States from dominating space." Both remained hopeful, however, that Americans were beginning to fully comprehend the potential for real conflict in space between the Chinese regime and the United States, and what that threat might mean for

relations between the two countries. "I think we're finally realizing the level of the threat," Crespo said. "They are a direct military threat. They are an adversary, if

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## **RELIGIOUS FREEDOM**

## Persecution of Falun Gong Is in Effect Genocide: Former US Official

### **ANDERS CORR**

In an exclusive interview, former U.S. State Department official Miles Yu said that there's more evidence of a genocide perpetrated against Falun Gong adherents in China than the plentiful evidence of a genocide against the Uyghurs.

Both the Trump and the Biden administrations have designated the repression of Uyghurs in China as a genocide. Yu previously advised then-Secretary of State Mike Pompeo on strategies related to China. Now Yu is supporting the view that there is not only a Uyghur genocide taking place in China, but also one against Falun Gong.

Falun Gong is a peaceful spiritual practice based on Buddhist and Daoist principles that was popularized in China during the early 1990s. The practice's following of 70 million to 100 million adherents by 1999 was seen as a threat by the Chinese Communist

Party (CCP), which then instituted a policy of persecution to the point of genocide, to eradicate the practice.

Yu told The Epoch Times in an Aug. 9 email: "I am surprised that [a] genocide charge against the CCP re FLG [Falun Gong] has not become a focal point of international human rights campaigns targeting the CCP.

"When deciding [a] genocide designation, the most difficult legal barrier is to prove 'intent' of the perpetrator." According to international human rights lawyer Beth Van Schaack in her analysis of the Uyghur genocide: "The biggest challenge to establishing the commission of genocide is the mens rea (or mental state) requirement that the perpetrator(s) not only intend to commit the underlying act(s), but that the acts are committed with the intent to destroy, in whole or in part, a national, ethnic, racial, or religious group. The intent element is the hallmark of genocide and what distinguishes it from other international

I am surprised that [a] genocide charge against the CCP re FLG [Falun Gong] has not become a focal point of international human rights campaigns targeting the CCP.

Miles Yu, former U.S. State Department official



Hudson Institute Senior Fellow Miles Yu, Senior China Policy Advisor to former U.S. Secretary of State Mike Pompeo, in Annapolis, Md. on Feb. 11, 2021

crimes, such as war crimes or crimes against humanity."

Yu believes "it would be much easier to prove this [intent] in the FLG case than the Uyghur case, because the CCP has tried harder to disguise its genocidal repression against the Uyghurs while its repression against the FLG has been more blatant."

There is more documentary evidence of a genocide against Falun Gong than there is against the Uyghurs, Yu said. "The documentation of the CCP's criminality re FLG is also more apparent and systemic.'

International lawyer Terri Marsh, executive director of the Human Rights Law Foundation, agrees. She told The Epoch Times in an Aug. 9 email, "The evidence does support a claim of genocide: There is a plethora of evidence documenting China's well-coordinated plans and policies to subject Falun Gong believers to a widespread suppression campaign that features torture, rape, extrajudicial killing, and other forms of degrading and injurious treatment in regions across China."

The Human Rights Law Foundation wrote a 2015 paper that described the CCP's "struggle" or "douzheng" campaign, including planning that amounts to intent constitutive of genocide to eradicate Falun Gong through extralegal methods such as imprisonment, torture, and forced organ harvesting.

Unfortunately, additional scholarly attention to the Falun Gong genocide is relatively lacking. According to a 2018 study published in the international journal Genocide Studies and Prevention, "The genocide against Falun Gong stands out as anomalous because it is virtually ignored."

To overcome this elision in reporting and prosecution of the Falun Gong genocide, Yu advises using the International Criminal Tribunal's (ICT) past genocide designations as templates. "It would not be a bad idea to use the ICT's genocide designations for Rwanda and Srebrenica as a template for the FLG genocide designation," Yu wrote. Yu said that time is running out to make the designation, as some of the perpetrators are aging.

"One major question, it seems to me, is that usually there is one individual designee—in this case, [former head of the CCP Jiang Zemin, who is about to expire due to advanced age," he wrote.

"When [Jiang] is gone, ICT would have to find another designee, which could well be quite possibly the entire CCP government, in which case, I think other victims of the CCP's atrocities (e.g. the Tibetans, the religious devotees of different orders, the Uyghurs, the Mongolians, etc.) could all join to push for a designation of the

entire CCP regime as genocidal." Genocide is illegal under both international law, as found in the U.N. Genocide Convention in 1948, and U.S. law (18 U.S.C. Section 1091). The definition of genocide in both laws includes attempts at the eradication of not only

ethnic, but religious groups such as Falun Gong. While this eradication could be in the form of mass killing, it can also be through forced conversion. Falun Gong adherents in China have suffered both, including systematic detention of millions, torture, and the deaths of likely well over 1 million practitioners, including from forced organ harvesting. Extensive evidence for the latter crime was found by the China Tribunal, which met in London

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AP PHOTO/ASHWINI BHATIA

Let's Boycott the Genocide Games in Beijing

### **BENEDICT ROGERS**



Games next year—and increasingly the question of the legitimacy of the host city: Beijing.

It is extremely rare for two successive host cities for the Games-Summer and Winter—to have their credentials questioned, though for two entirely different reasons. Tokyo's ability to host the Olympics was held in doubt by some not because of any wrongdoing by Japan, but because of the COVID-19 pandemic. Indeed it was postponed by a year, and earlier this year speculation grew that the Games could be canceled. In the end, Tokyo went ahead, and—despite pandemic complications—proved a success.

In contrast, the questions surrounding Beijing 2022 are far more profound. COVID-19 is a consideration, given that the virus emerged first in China and turned into a pandemic in large part as a consequence of the Chinese Communist Party's (CCP's) cover-up and lies. Instead of suppressing the virus, the regime initially suppressed the truth, threatening, intimidating and disappearing whistleblowers, including doctors and citizen journalists who tried to warn the world. Instead of alerting the World Health Organization (WHO) immediately, the CCP delayed and denied. And instead of allowing a transparent inquiry into the origins of the virus, the regime has refused to co-operate and launched a trade war against those, like Australia, which called for an investigation. So on public health grounds alone, does Beijing de-

serve to host the Winter Games? But the moral illegitimacy of Beijing 2022 goes much deeper than public health and logistics. This is a regime that increasingly stands accused of the worst Assuming, therefore. that the IOC does not respond to pressure to move the 2022 Games, what then? Surely what is needed is as full, coordinated, and comprehensive a boycott as

possible.

Activists, including members of the local Hong Kong, Tibetan, and Uyghur communities, hold up banners and placards calling on the Australian government to boycott the 2022 Beijing Winter Olympics over China's human rights record, in Melbourne, Australia, on June 23, 2021.



crimes under international law-genocide and crimes against humanity—and flagrant violations of international treaties. Is this a regime that deserves the prestige of hosting the Winter Olympics?

> Both the previous and current U.S. administrations, the Canadian, Dutch, Lithuanian, Belgian, Czech, and British parliaments, and a growing number of international legal experts and scholars now conclude that the Uyghurs are facing genocide. An independent tribunal chaired by the man who prosecuted Slobodan Milosevic, British lawyer Sir Geoffrey Nice, is assessing this claim and will publish its judgment toward the end of the year, but in its public hearings, truly harrowing evidence has already been presented. Beijing 2022 is increasingly becoming known as the #GenocideGames.

A previous independent tribunal also chaired by Sir Geoffrey Nice concluded beyond doubt that forced organ harvesting from prisoners of conscience in China has occurred, and continues, on a widespread scale. The China Tribunal's judgment in 2019 argued that this amounts to crimes against humanity and that anyone engaging with the Chinese regime must be made aware that they are dealing with a "criminal state."

Xi Jinping's regime has completely destroyed Hong Kong's promised freedoms, democracy, the rule of law and autonomy over the past year, in total and repeated breach of the Sino-British Joint Declaration, a treaty registered at the United Nations. British Foreign Secretary Dominic Raab says China is in "a state of ongoing non-compliance"—an understated diplomatic euphemism to mean that Beijing has torn up and trampled on an international treaty.

On top of all this, there is the continuing repression in Tibet, the worst persecution of Christians since the Cultural Revolution, ongoing assaults on Falun Gong practitioners, the crackdown on civil society, human rights defenders, citizen journalists, bloggers, and dissidents throughout China, as well as the CCP's increasing aggression toward its critics well beyond its borders. Should a regime vhose leader threatens overseas critics with having "their heads bashed bloody against a Great Wall of Steel" if they dare to oppose the CCP be rewarded with the Winter Olympics?

The case against Beijing 2022 is clear. The question is what do we do about it? Ideally, the International Olympic Committee (IOC) should move the Games, even at the eleventh hour, from Beijing to another city capable of hosting at short notice. There are plenty of candidates with experience and facilities for hosting winter sports—Canada, parts of the United States, various parts of Scandinavia, and Switzerland are just a few. If the IOC had the political will, it

Unfortunately, the IOC seems to already be too far into Beijing's pocket to budge. It has already tied itself to China's line on Taiwan, for example, insisting on describing Taiwanese athletes as representing "Chinese Taipei" and refusing to play the Taiwanese national anthem or display Taiwan's flag at medal ceremonies.

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When Chinese athletes wore Chairman Mao badges in Tokyo, the IOC did warn them that their gesture could be a breach of the Olympic Charter, which bans political statements, but we should not hold our breath for any disciplinary action to

Assuming, therefore, that the IOC does not respond to pressure to move the 2022 Games, what then? Surely what is needed is as full, coordinated, and comprehensive a boycott as possible.

At an absolute minimum, there must be a diplomatic boycott. No foreign government representatives, diplomats, ministers, royalty, or dignitaries should attend. Of course, there will be those who won't sign up for this, but if as many like-minded countries as possible coordinate this effort, it will make a difference. Beijing hates being snubbed, and loathes being embarrassed. When the United States boycotted the 1980 Moscow Olympics after the Soviet invasion of Afghanistan, over 60 countries followed suit. Let's try the same approach with

But we should do more. We need a consumer boycott. Spectators should not go to Beijing, and should put pressure on corporate sponsors to withdraw. Consumers should boycott those companies that still have their logos on the stands in the Beijing Games.

And, if the Games go ahead, we should use the platform it gives us to generate maximum attention on China's human rights violations. Talk about the Uyghur genocide, Tibet, Hong Kong, religious persecution, torture, forced organ harvesting, disappearances, the surveillance state, and the increasingly totalitarian nature of the CCP at every opportunity on the airwaves. Turn Beijing 2022 from a propaganda victory for the CCP into a publicity coup for the cause of freedom and human dignity.

Exiled Tibetans use the Olympic rings as a prop as they protest against the 2022 Beijing Winter Olympics, in Dharamsala, India, on Feb. 3, 2021.

**\$2022GENOCIDE OLYMPICS** 

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As to the athletes, I leave it to them to wrestle with their consciences. I know that competing in the Olympics is every sportsman's dream, and they will have spent years training for it. It's not for me to tell them whether or not to compete. But if they do compete they should do so with their eyes and ears wide open, and should use the opportunity they have—on the ground, if they're brave enough, or immediately upon depar ture from Beijing—to highlight the brutality and criminality of China's barbaric dictatorship.

One thing we can be sure about is that if brave sports men and women from other dictatorial states take a stand in Beijing the way Belarusian sprinter Krystina Timanovskaya did in Tokyo, against their own regimes, they're unlikely to receive the protection they found in Japan. That in itself could put quite a few off from participating.

Some argue that boycotts don't work. I disagree. History shows they play an important role. And at the very least what is certain is that if Beijing 2022 goes ahead unchallenged, the regime

will be emboldened, behave with even more repression at home and aggression abroad, and ultimately it won't only be the peoples of China whose rights we will have failed to defend, but our own freedoms at stake as well. So let's work now to turn Beijing 2022

into a nightmare for Xi Jinping and a light in the darkness for those suffering under his regime. Let's boycott the Geno-

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Views expressed in this article are the opinions of the author and do not necessarily reflect the views of The Epoch Times.

### **OPINION**

## 11-Year Sentence for Canadian Michael Spavor Highlights China's Communist Dictatorship

### **LLOYD BILLINGSLEY**



China has sentenced Canadian businessman Michael Spavor to 11 years in prison on espionage charges, more than two years after the Canadian was

first detained, along with fellow Canadian Michael Kovrig.

the Canadians have become known, followed the arrest in Vancouver of Huawei executive Meng Wanzhou on charges that her company violated U.S. sanctions on Iran.

"Chinese officials have not dis-Kovrig," CNN reported, "or informaheld behind closed doors in March."

The arrest of "the two Michaels," as

closed any evidence against Spavor or tion relating to their trials, which were That marks a contrast with the treatment of China's actual spies in the

The Chinese regime shows no sign of backing off on the hostage-taking

United States, and the legal systems of the respective nations.

As the FBI verified, Tang Juan, who conducted research at the University of California at Davis, was a member of China's People's Liberation Army (PLA) and the Chinese Communist Party (CCP). Like other Chinese nationals in the United States on exchange programs, she took direction from superiors in the PLA. That constitutes espionage, but the only charge against Tang was falsifying information on her visa application.

Before her case was dismissed last month, the court dropped charges of lying to the FBI, on the grounds that the agents had not properly informed the Chinese national of her rights. She was represented by independent American lawyers, and the trial was held in open court. Once the case was dismissed, Tang quickly returned to China. The PLA and CCP member was never a hostage and the American government demanded nothing in return for dropping the charges against her.

By contrast, China's proceedings against Spavor and Kovrig were clearly in retaliation for the arrest in 2018 of Meng Wanzhou, Huawei's chief financial officer. Spavor's two-hour trial was held in secret, and the Canadian was charged with stealing state secrets, which in China can mean any information disclosed by an investigation.

Under China's communist dictator-

ship there is no rule of law—only rule by the CCP. Chinese courts are essentially low-level organs of the CCP. In China, there is no presumption of innocence and no right to a swift public trial, with the verdict subject to appeal. Immediately after his secret trial, China announced no verdict for Spavor, already imprisoned more than twice as long as Iran held 52 American hostages in 1979. Those familiar with

China's prison conditions say incarceration in a Chinese prison amounts to torture in and of itself.

According to Canada's National Post, Spavor was held in cells roughly three-by-three meters where "there is no furniture and the thin mattress must be rolled up during the day." Prisoners are not allowed outside their cells and there are no exercise yards or dining hall. Meals of boiled rice and vegetables are pushed under the doors in "doggy bowls." In some accounts, prisoners must spend the whole day sitting or squatting on the floor, which causes joint and muscle deterioration. Spavor told reporters he was in good

spirits and wanted to go home. Canadian Prime Minister Justin Trudeau denounced the 11-year sentence as "absolutely unacceptable and unjust." The trial, according to Trudeau, "did not satisfy even the minimum stan-



Jim Nickel, the deputy chief of mission for the Canadian Embassy in China, speaks at an event held in connection with the announcement of the sentence for Canadian citizen Michael Spavor at the Canadian Embassy in Beijing on Aug. 11,

dards required by international law."

U.S. Secretary of State Antony Blinken said in a statement, "The practice of arbitrarily detaining individuals to exercise leverage over foreign governments is completely unacceptable. People should never be used as bargaining chips."

At the time of writing, the White House has issued no statement on

Spavor's 11-year sentence. During the 2020 campaign, Joe Biden said the Chinese were "not bad folks," and "not competition" for the United States. In 2013, Justin Trudeau proclaimed, "There's a level of admiration I actually have for China. Their basic dictatorship is actually allowing them to turn their economy around on a dime."

With those conditions of mind in U.S. and Canadian leaders, leniency for actual Chinese spies such as Tang is likely to increase. On the other hand, the Chinese regime shows no

sign of backing off on the hostage-

taking front. Kovrig, a former Canadian diplomat who worked for the International Crisis Group (ICG), is accused of stealing sensitive information. China's courts have revealed none of the evidence against Kovrig. The verdict and sentence in the case have yet to be announced.

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Views expressed in this article are the opinions of the author and do not necessarily reflect the views of The Epoch Times.

Chinese State Councilor and Foreign Minister Wang Yi meets with Mullah Abdul Ghani Baradar, political chief of Afghanistan's Taliban, in Tianjin, China on July 28, 2021

### **ANALYSIS**

# Beijing Embraces the Taliban With Eye on Economic Interests

Unreliable or unstable

Taliban behavior

coupled with the

leaves the peace

administration has

warned that it will

isolate the Taliban

if the military group

takes over Afghanistan

shaky ground.

The Biden

by force.

presence of warring

militias in the region

process to continue on

### **RACHEL BROOKS**

As the Taliban took over Afghanistan after swiftly capturing all major cities over the past week, it could count on the endorsement of at least one major power: the Chinese regime.

In late July, about a month before the United States' scheduled departure from the country, Beijing, anticipating a power United States. shift in the region, hosted a Taliban delegaas a legitimate political force in the country.

### **Economic Interests**

During the meeting, Wang sought assurances that the Taliban wouldn't harbor Islamic extremists who may launch attacks in China's far west Xinjiang region, according to a Beijing foreign ministry statement. Baradar agreed, saying that the Taliban "never allow any force to use the Afghan territory to engage in acts detrimental to China," according to the statement.

China shares a 47-mile border with Afjiang, a region housing 13 million Turkic

Wang also spoke of the Taliban's "imporation, and reconstruction process," the to the Central Asian Republics bloc. foreign ministry said.

Beijing's interest in courting the Taliban in the region, experts told The Epoch Times. Among the regime's overriding priorities is to ensure a development project in the "Baluchi port of Gwadar, which is a key fea- **Uyghurs** ture of the China-Pakistan Economic Corridor and absolutely essential to the B&R [Belt and Road] initiative," Srdja Trifkovic, low of the Charlemagne Institute, told The

The China Pakistan Economic Corridor (CPEC) is a massive China-facilitated Pakithe umbrella of Chinese leader Xi Jinping's

stan has been called a "super link" to the CPEC by Beijing's media because of its geographic location. The CPEC project in Gwadar has come under the control of the CPEC Authority and the Center of Excellence CPEC, organizations aimed to get the for the Uyghur diaspora from Xinjiang is to project back off the ground after a stalling annihilate them; to bring them home, and period. The final project will build a road to snuff them out, according to Ethan Gut-

"Trying to have a Taliban-dominated Afghanistan favorably disposed to this [the CPEC and other projects is both prudent and attainable from China's point of view," Trifkovic said.

Meanwhile, the Chinese regime is also leveraging the situation to increase its influence in the region, at the expense of the

"The void left behind by the U.S. is being tion in the city of Tianjin. Foreign Minister filled by China. The Taliban's direct talks Wang Yi met with senior Taliban leader with Beijing signals that China is assuming Mullah Abdul Ghani Baradar and eight the duties of peace brokering in war-torn other Taliban representatives on July 28, Afghanistan," said Azeem Qureshi, a lecsignaling Beijing's recognition of the group turer in Middle East-China relations with the COMSATS and Quaid-i-Azam universities in Islamabad, Pakistan.

But Beijing is reliant on Pakistan, with whom it already has close ties, to achieve that.

"The Chinese don't really understand Afghanistan very much, something that makes them look toward Pakistan," said Muhammad Shoaib, an assistant professor of international relations at the National Defense University in Islamabad.

For both Islamabad and Beijing, peace and stability in Afghanistan is the main goal.

"Chinese companies investing heavily ghanistan and has long been concerned in Pakistan, Afghanistan, and Iran know about a possible Islamic insurgency in Xinthe huge potential of business in the region, and peace is their ultimate desire as it equals huge profits. China can get an easier route to CARs via Afghanistan and tant role in the country's peace, reconcili- Pakistan's CPEC," Qureshi said, referring

Courting the Taliban, however, isn't a failsafe strategy for either Beijing or Pakistan. stems, in part, from its economic interests Pakistan has struggled in its recent diplomacy efforts with the Taliban, an unpredictable player in regional politics.

Another overriding priority for Beijing in the Central Asian region is to use its influence to repatriate Uyghur Muslims, a jihadism expert and foreign relations fel- a Turkic-speaking ethnic group, back to

In the region of Xinjiang, the CCP has detained more than 1 million Uyghurs and other Muslim minorities in internstan infrastructure project that falls under ment camps, where they're subjected to torture, forced labor, and political indoctri-Belt and Road Initiative (BRI). The BRI is a nation. Outside of the camps, the region's global infrastructure investment project Muslim inhabitants face pervasive surveilaimed to transform China's economy into lance through a network of checkpoints, AI-enhanced CCTV cameras, and biomet-The Gwadar Port in southwestern Pakiric collection. The repression has been designated a genocide by the U.S. government and other Western legislatures.

But the CCP hasn't only focused its repression in Xinjiang. Wherever they may be in Central Asia, Beijing's ultimate goal from China's Xinjiang region to the sea- mann, China studies research fellow with the Victims of Communism Foundation.

"These nations [of Central Asia] are under an extreme amount of pressure from China to give up their Uyghurs. This isn't a rational policy," Gutmann said, noting that the pressure to extinguish the Uyghur culture and race has no real bearing on the Belt and Road Initiative.

This maximum pressure campaign on Central Asian nations to deport or return Uyghurs has reached as far as Istanbul, where Turkish President Recep Tayyip Erdogan was accused of agreeing to deport Uyghurs in exchange for China-made Sinovac CCP (Chinese Communist Party) virus vaccines.

"That was a real deal," Gutmann said. "If not for the pushback of the Uyghur and of Erdogan's opposition, that would have happened."

Abduweli Ayup, an Uyghur-language specialist who was detained by the Chinese regime in 2013, said that many Uyghurs escape to nearby Central Asia because they believe they'll be safe among other

While in detention, Ayup met several Uyghurs who had been sent back from countries such as Kazakhstan and Pakistan.

"We had seen that Turkey deported some Uyghurs first to Tajikistan and then to China. Some Uyghurs that I know were deported to Uzbekistan first and then to China. Those countries have been directly and indirectly cooperating with China on deporting Uyghurs," Ayup said, noting that these deportees have been sentenced to die since as early as 1997.

In Ayup's view, this cooperation is shameful under any cultural standard, because in Islamic tradition, betraying other Muslims goes against their beliefs, while the deportation of refugees goes against international law.

"They are committing genocide there," Ayup said, referring to the Chinese regime's campaign in Xinjiang.

Gutmann noted that the Taliban's dialogue with Beijing is mainly about getting backing from a powerful, wealthy ally as the United States leaves the region.

If the Taliban, in an effort to curry favor with Beijing, caves to pressure to send Uyghurs back to China, it'll likely draw the wrath of Western democracies. But Gutmann noted that there isn't a large population of Uyghurs living in Afghanistan or Pakistan, because Uyghurs tend to gravitate to areas with large populations of Turkic peoples and make for Istanbul to start a new life free of the Chinese regime.

Rachel Brooks is a freelance reporter covering China-related issues. Prior to *The Epoch Times, she reported on topics* concerning the Trump administration's U.S.-China trade war for various publi-

### **OPINION**

Week 33, 2021 THE EPOCH TIMES

## A Time Out to Reassess Chinese Stocks

Beijing's framework for 'Capitalism with Chinese Characteristics' emerges

### **FAN YU**

Beijing policymakers have sought to calm financial markets after a period of heavyhanded and unexpected crackdowns on several sectors. Now is a good opportunity for foreign investors to reassess their investments in Chinese companies.

After a period of market volatility, Beijing authorities have unveiled a broad five-year plan to regulate large swaths of China's economy and industry. The rules should finally give investors a rough idea of how the Chinese Communist Party (CCP) plans to control its private companies, a framework for "Capitalism with Chinese Characteristics." Of course, as with all policies issued by

the CCP, it's "caveat emptor" and subject to change without notice. Let's quickly recap the regulatory actions that have culminated in the recent volatil-

ity of Chinese technology stocks.

- November 2020: Payments startup Ant Group's highly anticipated IPO was sud-
- denly canceled. • November 2020: China's market regulator issued draft guidelines to rein in "monopolistic practices" within its in-
- February 2021: Guidelines to curb "monopolistic practices" finalized; landmark fine issued to Alibaba.
- June 2021: Beijing pledged to increase welfare and salaries of delivery workers in the "gig economy," hitting shares of platforms such as Meituan.
- July 2021: Days after Didi Chuxing's IPO, China deleted the ride-hailing app from its app stores and opened an investigation into its data security practices.
- July 2021: Cybersecurity regulator ordered any internet company with more than 1 million users to undergo cybersecurity and data security review and approval prior to listing its stock abroad.
- July 2021: State Council cracks down on education and tutoring companies, and turns some into nonprofit entities. Shares of a handful of U.S.-listed Chinese tutoring companies tumble.
- July 2021: Ministry of Industry and Information Technology began a special investigation into the internet industry. Results still to be determined.
- August 2021: China's insurance regulator outlined new rules governing online sales

These regulatory measures have sent both U.S.-listed and Hong Kong-listed Chinese companies plummeting and caused conand entrepreneurs looking to fashion themselves after Jeff Bezos and Elon

Musk have been put

Let's assume the

structure is worth a

20 percent discount

in value. And the

CCP's regulatory

and political risks,

So the share of a

Chinese company

be valued at a 40

percent discount

U.S. company

assuming the

egual.

economics being

than a comparable

should at least

another 20 percent

risks of the VIE

on notice.

Chinese companies

sternation among foreign investors. Beijing's top policymakers have seen the

recent market turmoil and sought to calm investors trying to make sense of the recent regulatory onslaught.

The State Council issued a document on Aug. 11 to strengthen enforcement of antitrust and unfair competition rules, while encouraging "healthy development" of the new economy that respects people's wellbeing and data privacy.

In addition, Beijing promised to increase the use of legislation and vowed to not "arbitrarily change or suspend" measures once they have been enacted without going through formal legislative procedures. In other words, the regime in Beijing is both trying to demystify its recent administrative actions and telling the world to

"trust us." Set aside for now that the CCP's track record in carrying out what it promises to do has been dubious. Let's assume Beijing is serious about these reforms.

This all seems like "nanny-state" at its extreme. Take the for-profit education sector as an example. Beijing cracked down on the \$100 billion industry to "reduce the work burden" imposed on students and to make education "more inclusive," according to a policy statement issued on July 24.

On the surface, it's a recognition that Chinese grade-school students are under too much stress and the after-school programs favor well-to-do families with the means to pay the high tuition for such tutoring.

But in practice, these measures won't reverse the trend of after-school tutoring. University acceptance rates aren't getting any higher. What this means is that more such tutoring will go informal and "off the books." Such tutoring will just move out from the purview of for-profit institutions the only losers are the capital providers and

investors of such companies. This has been the modus operandi for CCP leader Xi Jinping, who believes that China must blaze its own trail, and its development must be independent and strong without having to rely on foreign capital and know-how. In many ways, Xi seeks to challenge the West and the West's established form of development (including the laissez-faire regulatory regimes of the West). And this is a completely different methodology under previous regime boss- Fan Yu is an expert in finance and ecoes Jiang Zemin and Hu Jintao, who favored nomics and has contributed analyses on crony capitalism and making money without ruffling the established world order.

In other words, the Party knows best. *Views expressed in this article are the* And companies must develop, expand, and acquire customers and employees in sarily reflect the views of The Epoch Times.

a manner that is consistent with the vision of the Party (or Xi himself).

Chinese companies and entrepreneurs looking to fashion themselves after Jeff Bezos and Elon Musk have been put on notice. And investors who wish to invest with them should evaluate their positions accordingly. How will their company abide by the CCP going forward, and is it part of a vulnerable industry that could come under the microscope of Beijing?

In hindsight, this development shouldn't be surprising.

A Chinese stock traded on the New York Stock Exchange acts and behaves just like another stock, right? The answer is no.

U.S. investors' hubris has left them blind to the fact that their investments in these Chinese companies are nothing but stakes in offshore shell companies that signed paper contracts with the true operating entities in China. These operating companies have nothing to do with the shell companies that foreign investors own, outside of these legal contracts.

But for years, it didn't matter. Their share prices appreciated. The dividend checks they received didn't bounce. The companies held quarterly earnings calls and filed some familiar-looking financial statements with the Securities and Exchange Commission. And Beijing didn't crack down on the offshore variable interest entity (VIE) structures that were technically illegal.

But the faith is wavering now, after all these years.

Many investors decided to pull their money out. Some may decide to wait and see. Others sense an opportunity to buy low. We're here to help you make smart decisions, not to pontificate. But either way, investors need to look at Chinese stocks differently than before.

Let's assume the risks of the VIE structure is worth a 20 percent discount in value. And the CCP's regulatory and political risks, another 20 percent. So the share of a Chinese company should at least be valued at a 40 percent discount than a comparable U.S. company—assuming the economics being equal.

It's not scientific nor technically precise, but might be a decent starting point if you want to keep both your stock and your sanity.

opinions of the author and do not neces-



People walk by the New York Stock Exchange in New York on Aug. 10, 2021.

**CHINA INSIDER** Week 33, 2021. THE EPOCH TIMES



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