FOREWORD

Hegemon on a Roll or Realism in the Periphery? – China and the Developing World in the Context of Transnational Linkages and Comparisons

This first issue of Volume 5 of Contemporary Chinese Political Economy and Strategic Relations: An International Journal (2019) is designated as an April/May issue to commemorate two events that were set to impact on and redefine China’s contemporary relations with ASEAN countries and with potential reverberations even beyond the region. While early April sees the 7th anniversary of the Scarborough Shoal standoff in the South China Sea between China and the Philippines in 2012 that culminated in the 2016 Permanent Court of Arbitration at The Hague’s ruling in favour of the Philippines, early May sees the first anniversary of the almost impossible electoral defeat of the more than six-decade rule of the increasingly authoritarian and kleptocratic National Front (called in the early years the Alliance) in whom recent years witnessed increasing politico-economic dependence and subservience to China. What these two events share is the bravery and determination of the people of two small nations in the region to stand up against a regional hegemon in order to protect their sovereignty and rights long encroached upon by the latter.
These two momentous events are the subjects of inquiry for the two papers that begin the present April/May 2019 issue of the journal – “Into China’s Rough Seas: Troubled Maritime Institutions in the West Philippine Sea – Implications for Philippine National Security” by Rhisan Mae E. Morales, and “Malaysia Baru: Reconfiguring the New Malaysian Capitalism’s Dependency on China – A Chronicle of the First Post-GE 2018 Economic Reforms” by Elsa Lafaye de Micheaux, both under the first section of this journal issue, Sovereignty, Dependency and Peripheral Realism.

Although the PCA ruling favouring the Philippines has been cast aside after Rodrigo Duterte’s assumption of the Philippine presidency for what Duterte considered as pragmatic reasons, as described in the third paper in this section, “On President Rodrigo Duterte’s “War on Drugs”: Its Impact on Philippine-China Relations” by Diosdado B. Lopega, the Scarborough Shoal incident seven years ago which began on 8th April 2012 over the Philippine Navy apprehension of eight mainland Chinese fishing vessels in the disputed Scarborough Shoal that as Morales notes, lies 530 miles (853 km) from the closest Chinese shore of the Province of Hainan but just 138 miles (222 km) from the coast of Zambales of the Philippines and within Philippines 200-nautical mile exclusive economic zone (EEZ).

Lopega in his paper analyses how Duterte’s “War on Drugs” attracted barrage of criticisms from the Philippines’ traditional Western allies that turned him to China as a sympathetic ally, a newfound ally so unlikely just years ago after the Scarborough Shoal Standoff, and made him give a cold shoulder to the PCA ruling – a sacrifice on sovereignty assertion that is apparently worth making for currying China’s favour in order to mitigate the effects of his diplomatic fiasco with the West and to press on with his quixotic “War on Drugs” that he had promised the people during his election campaign. Politics does make strange
bedfellows, and in this case, as Lopega points out, makes the Duterte Administration turns away from the earlier years of sovereignty assertion to be a willing peripheral-realist rule-taker “religiously toeing the line along orders” by China the emerging regional rule-maker.

Placing the 2012 Scarborough Shoal Standoff in the wider contexts of a long-term approach to address the Philippines’ maritime security issue, the consciousness of its identity being a quintessential archipelagic state whose marine ecosystem is being continuously destroyed by maritime dispute and the installation of military posts by the encroaching power, and the urgent need for effective maritime inter-agency coordination in the Philippines to overcome her territorial debacle in the South China Sea, Morales, in her paper, emphasizes the importance of protecting the Philippines’ territorial integrity that should be equated “with that of other national concerns like poverty, corruption, insurgencies and drug-related issues” and the South China Sea should be given similar importance as that of the present Duterte Administration’s campaign against drugs and corruption, as the government should not lose sight of its crucial role “to uphold the primary consideration of its foreign policy: to protect the country’s territorial integrity and national sovereignty”.

Such being a critical consideration indeed in a region in an era that is witnessing the rise of neighbouring power with whom the ASEAN countries have long had a vacillating love-hate relationship since the 1949 Communist Party conquest of the Chinese Mainland, Lafaye de Micheaux’s article represents a pertinent, timely exploration of another ASEAN member state, Malaysia’s own love-hate relations with this rising powerful regional hegemon to whom “Malaysia’s remaining sovereignty seemed indeed to have been sold off in favor of political benefits and commercial contracts” over the last few years before the long-ruling kleptocratic regime was overthrown in an unexpected
electoral defeat on 9th May 2019, after which the newly sworn-in government had wasted no time, as promised to the electorate during the election campaign, in scrutinizing the “unequal” contracts that the scandal-ridden previous government had signed with China – in a breathtaking process of cancelling and renegotiating for fairer terms – in a valiant effort in “regaining control of a sovereignty abused by China”, as Lafaye de Micheaux describes.

In the playing out of these events, what not to be missed has to be the brazen way China’s influence – calling it “united front” or “sharp power” – had swept, tsunami-style, into whether the Philippines or Malaysia in quite an instance, be that during President Rodrigo Duterte’s being condemned by the Philippines’ traditional Western allies for his bloodied “War on Drugs” campaign by means of massive extrajudicial killings that led to the International Criminal Court (ICC) launching inquiry into allegations of crimes against humanity he committed in his brutal anti-drugs campaign, or during Prime Minister Najib Razak’s being embroiled in the 1MDB fraud-of-the-century and with international investigators, from America to Australia, from UK to UAE, from Switzerland to Singapore, closing in on the shocking scandal and the prime minister’s personal links to it.

In the case of Najib’s Malaysia, such remarkable inroads of China’s growing influence was also reflected in the further strengthening of the relationship between the ruling regimes of these two long-lasting one-party dominant systems (one without electoral democracy, one with relatively free but unfair elections): a close cooperation and strategic partnership between two authoritarian/neo-authoritarian regimes, in sharing a common priority in perpetuating political dominance. It is noteworthy that when Najib brought home US$33.6 billion in deals after he visited China in November 2016 he had been criticized by the opposition who accused the ruling coalition of playing the China card to
win votes as well as to cover up corruption scandals to the degree of selling out Malaysia’s sovereignty\(^1\), similar to the Thai junta government’s using “China deals” to please domestic audience and gather support by demonstrating its foreign relations capacity in producing economic and international strategic benefits (Hewison, 2018). Even though Malaysia has a multi-party electoral liberal democratic political system, it is not surprising to witness such increasing degree of political convergence\(^2\) and empathy between two long-lasting one-party dominant states. A similar scenario is seen in the increasing closeness to and dependence on China of another ASEAN state, Cambodia, under Hun Sen’s rule which was sliding fast into an autocracy.

Hun Sen, the prime minister of Cambodia whom CCP has apparently tutored much in the art of dealing with dissidents, has closed his country’s best independent newspapers on trumped-up charges\(^3\), liquidated the Cambodian National Rescue Party in November 2017 in a move that has definitely made his mentor CCP proud, that Charles Santiago, Chairman of ASEAN Parliamentarians for Human Rights and a member of the Malaysian parliament from the then Malaysian opposition party the Democratic Action Party (a component party of the new ruling Alliance of Hope coalition after the 9th May 2019 elections), called “the final nail in the coffin for Cambodian democracy”, exiled former CNRP president Sam Rainsy and arrested then CNRP president Kem Sokha.\(^4\) As a payback to its mentor, Hun Sen’s government has several times broken ranks with the ASEAN consensus, especially when it refuses to criticize China’s behaviour in the South China Sea.

Similar to the Cambodian political situation, Malaysia’s then long-ruling Barisan Nasional (National Front) coalition had turned even more authoritarian than before with heavier misuse of public instruments including police force and anti-corruption agency to try to destabilize the
opposition and opposition-held states after its unprecedented electoral upset in the 2008 “political tsunami” and its losing the popular vote in the following 2013 elections.

Such convergence of political and financial interests between the planet’s largest dictatorship and the increasingly authoritarian one-party dominant regime during the Najib administration has set a really worrying trend before a combination of civil society’s disgust against grand and blatant corruption of an arrogant regime, a modern cross-ethnic younger generation’s aspiration for liberalism and democracy and more respect for human rights, and Malay backlash against the Najib administration’s perceived sell-out of national interests to China, in an almost miraculous and unexpected nation-wide political tsunami finally achieved the unachievable deed of ousting the previous seemed undefeatable governing machinery of the National Front in the 9th May 2018 general elections. Nobody had foreseen the what was coming, not least the China embassy, which up to the days of election campaigns, as noted by the former Malaysian ambassador Dennis Ignatius: “Despite its oft-repeated commitment to the principle of non-interference, the Chinese embassy increasingly thinks nothing of warning opposition leaders who question the direction of Malaysia-China relations or favouring certain political parties by its high-profile attendance at conferences and political events. It is even attempting to position itself as one of the principal interlocutors of the Malaysian Chinese community […] Needless to say, the more China has to lose, the more it will be tempted to involve itself in domestic affairs.” (Ignatius, 2017) And indeed as Ignatius highlighted, the embassy’s statement in early 2017 that it would “not allow anyone to jeopardize … bilateral cooperation” was a thinly veiled warning that it would intervene where necessary to protect its interests, as moreover “the billions of ringgit in infrastructure projects, business and trade deals that China brings to the
table gives it unparalleled domestic leverage to influence and affect outcomes.” *(Ibid.)*

Interestingly, in order to court the Malaysian ethnic Chinese community for votes, during the 2018 general election campaign, the Malaysian Chinese Association (the ethnic Chinese component party of the then ruling National Front coalition) – which launched the “MCA Belt and Road Centre” *(Mbrace)* in December 2016, and further with the “MCA Belt and Road 2.0” *(Mbrace)* in February 2018, as well as Penang’s “One Belt and Road Centre” *(OBRC)* in June 2017 in the prosperous northern heavily ethnic Chinese island state the federal ruling coalition has lost to the opposition alliance led by the ethnic Chinese-based Democratic Action Party (DAP) since the 2008 political tsunami, a series of actions jeered by many political commentators, who find it ridiculous for a Malaysian political party to set up a centre within for a politico-economic strategic program of China, as a sinking party grasping at a last straw perceived to be given by China’s OBOR initiative – even came up with huge incredible billboards and banners declaring “一帶一路造福人民” [One Belt, One Road is a blessing for the people] and even more incredibly “ 投國陣，等於支持中國！” [To vote for the National Front is to support China!] On this, the former Malaysian ambassador Dennis Ignatius stated bluntly that: “Even some of our political parties are now behaving more like extensions of the PRC embassy – setting up PRC affairs committees and OBOR centres – than as Malaysian political parties.” *(Ignatius, 2017)*

The unabashed way the Najib has brought Malaysia under China’s shadow was astounding – testifying to how China had been seen as a saviour, economically and politically, of that kleptocratic regime that was bringing the country closer by the day to financial ruin, regardless of the fact that the large sum of money China lends Malaysia must one day be repaid by this generation and next – for there is a major China-
funded project in nearly every state in the Malaysian federation, including, *inter alia: (1) East Coast Rail Line (ECRL) project, the largest of all – a high-speed railway traversing Peninsular Malaysia’s east coast and across the peninsula to Kuala Lumpur; (2) Melaka Gateway project, a large new port in Peninsular Malaysia’s west coast state of Melaka (Malacca); (3) Kuantan Port Expansion project, a large new port in the east coast state of Pahang; (4) Kuala Linggi International Port – also in Melaka, a 12.5 billion ringgit new port in the south supposed to compete with Singapore – which “has left experts, who deemed the project an environmental hazard, puzzled”10; (5) a big land reclamation project in the northern state of Penang; (6) Green Technology Park in the state of Pahang – a project that involves a solar power station to be built in Najib’s hometown and parliamentary seat of Pekan; (7) a steel complex in the East Malaysian (Borneo) state of Sarawak; (8) a methanol derivatives plant, also in Sarawak; (9) Robotic Future City in the southernmost state of Johor; (10) massive real estate developments in Johor and the East Malaysian (Borneo) state of Sabah, with that planned for Johor nearly exclusively to provide second-home investment opportunities for middle-class house buyers from China (Case, 2018: 23-24). Political scientist Professor William Case actually considers Malaysia one of the most intriguing countries to participate in the Belt and Road Initiative, for among the countries on the Maritime Silk Road it have been most closely embraced by China, bypassing even Thailand and Indonesia to so enthusiastically assume such an agential role on China’s Maritime Silk Road become the latter scheme’s hub and central node in the region featuring far more such China-funded projects and ventures than any other Southeast Asian countries, in view of the socioracial and developmental features (related to the Malay majority vs ethnic Chinese minority divide). Case attributes this to “Malaysia’s distinctive political economy, made manifest in durable single-party
dominance” whereby even more crucial than developmental gains are patronage resources and distributions in that while projects and ventures are undertaken in hopes of development, “any such gains are but positive externalities that spring from more primary largesse. Thus, as one project goes to ground, the indebtedness that sets in makes another and larger project more necessary, both to repay creditors and to placate patronage seekers, generating a pyramidal sequencing.” (ibid.: 22)

In July 2018, about two months after the old regime’s electoral defeat, the Malaysian Ministry of Finance under the new Pakatan Harapan (“Alliance of Hope”) coalition government found clear elements of money laundering in the Multi-Product Pipeline (MPP) and Trans-Sabah Gas Pipeline (TSGP) projects when the previous government’s contracts involved paying to China firms for work yet to be completed and that related to the notorious 1Malaysia Development Berhad (1MDB) scandal.

“The entire project smelt like a scam … We were giving money out [8.3 billion Malaysian ringgit, i.e. 88% of total project value] — to a Chinese company [despite an average of only 13% work completion] — and we suspect this money was being funneled to parties related to the previous administration,” Tony Pua, who is special officer to the Malaysian finance minister Lim Guan Eng, told the BBC in an interview in mid-July. The new government has said it is investigating whether part of the loan from this Chinese state-owned bank for US$2.3 billion (RM9.3 billion) projects was used in helping to repay dues of scandal-ridden state fund 1MDB through a money-laundering arrangement disguised as loan repayment.11

With Malaysia’s 93-year-old new prime minister Mahathir Mohamed having repeatedly said that he will be reevaluating Chinese investments in the country, including those that are part of the Belt and Road Initiative, the referring of payments worth US$2 billion for these
Chinese-built pipelines to the anti-graft commission over potential connections to the financial scandal linked to former prime minister Najib could be a bad sign for other Chinese investments, including a $14 billion railway joining Peninsular Malaysia’s coasts, and could potentially causing huge disruption to China’s grand scheme.

“Would China be happy with the [9 May 2018 Malaysian election] result?” said Euan Graham, the director of the Lowy Institute’s international-security program, when interviewed by Business Insider; “I suspect they will be rather worried because Najib has been almost taken for granted as a pliable figure,” referring to the scandal-ridden ousted former Malaysian prime minister who has hardly been seen protesting China’s claims in the South China Sea, and who brought into his country as much as US$93 billion in investments from China for port and railway projects, including even a potential plan in 2016 for a China construction company to be awarded a rail project linking the east and west coasts of Peninsular Malaysia in exchange for paying $850 million for assets from 1MDB, the state investment fund from which hundreds of millions of dollars were reportedly found in Najib’s personal bank accounts a year earlier.\(^{12}\)

Regarding US$14 billion (55 billion Malaysian ringgit) East Coast Rail Link (ECRL), the 688-kilometre railway track project from Malaysia’s Port Klang to Gombak and onwards to Kuantan and Pengkalan Kubor (Malaysia-Thailand border in the Malaysian state of Kelantan), which is viewed as part of the Belt and Road Initiative, the new prime minister Mahathir has described it as “strange” because payments are based not based on work done but on a pre-determined timetable, and the money does not come to Malaysia but is kept abroad to pay the contractor in China who then disburses payments.\(^{13}\)

The new Malaysian finance minister Lim Guan Eng (林冠英)’s special officer Tony Pua Kiam Wee (潘俭伟) has suggested that the
China Petroleum Pipeline Company (CPPC) was paying 1MDB debts using funds for its oil pipelines projects in Malaysia, leading later to allegation that the finance minister was unable to accompany the prime minister in the latter’s visit to China due to a request by Beijing infuriated by claims that Lim was behind several raids by the Malaysian Anti-Corruption Commission (MACC) against the China companies in Malaysia involved in the scandal.14

The scandalous smell of the ECRL project indeed comes from various angles. It is so obvious the cost of the rail project has been greatly inflated, with Malaysia suspected to be overpaying by a hundred per cent to enable half of the funds be returned by China to Malaysia which the BN government could probably then use to repay its debt on 1MDB (Case, 2018: 23).

Malaysia “would eventually have to pay well over three times the original cost estimates” and even “at the much lower costs, the project would never ever pay for itself”, said the new government’s Council of Eminent Persons (CEP) member, renowned social economist Jomo KS in Free Malaysia Today (26th July 2018), “After discounting the original cargo and passenger projections to more realistic levels, the project would have implied permanent haemorrhage of operating costs, even after writing off the gargantuan development costs of [Malaysian ringgit] RM81 billion plus interest,” and together with various other dubious project brought in by the Najib administration from China, “the mammoth resulting debt burdens will be borne by future generations of Malaysians.”

Malaysia’s Economic Planning Unit awarded the ECRL project to China Communications Construction Co (CCCC) through direct negotiations in August 2016 “without any competition and little transparency, but generous special privileges, including massive tax exemptions” (Jomo, 2018), against the correct practice for public
projects, and Malaysia Rail Link Sdn Bhd (MRL), the Finance Ministry-owned company set up to spearhead the project, was formed only a month after the award to CCCC and the experts responsible for implementing the project only started coming on board late October and were just employed on time to sign the loan agreement and see through the implementation but did not have control on the terms of the agreement which was signed in November 2016, according to which China’s Export-Import Bank (Exim Bank) will provide 85% of the financing.

Also, there had been a relationship between 1MDB and companies from China a few months before the ECRL deal was sealed when China General Nuclear Power Corp emerged as the highest bidder for the power-generation assets of 1MDB in April 2016, a deal that provided 1MDB with much-needed cash flow. “To be sure,” as Jomo points out, “ECRL would not have involved foreign investment from China, but rather, huge loans from China’s Export-Import Bank, ostensibly for 85% of projected costs” (ibid.) which was expedited to start in early 2018 before the May general elections, and even with little work done, half the total loan – amounting to almost 20 billion Malaysian ringgit – had already been disbursed in dubious circumstances a few months later. As ECRL and many other big Chinese projects that the Najib administration brought into Malaysia are actually being financed through soft loans rather than foreign direct investments, and given “the massive amounts involved – all coming from a single country, much of it from the state itself – the government of China could soon emerge as one of our largest creditors” (Ignatius, 2017).

In its list of 28 countries in terms of their willingness to pay bribes, Transparency International’s 2011 Bribe Payer Index ranks China companies No. 2. As Dennis Ignatius, a former Malaysian ambassador, keenly observes, “Malaysia, for its part, is now one of the most corrupt
countries in the world. When two corrupt systems interact on projects that are worth billions, can there be any doubt that billions will be diverted into private coffers or used to further subvert what’s left of our democracy?”

It is indeed questionable why CCCC has been allowed to draw down US$5 billion (RM20 billion Malaysian ringgit, strangely including a sum as “advance payment”) just a year after work started and where the money actually went to. There has long been suspicion that the contract for the ECRL can actually be built for under 40 billion ringgit was inflated to 60 billion ringgit (by 2018 expected to cost as much as 70 billion ringgit) when it was signed in 2016 whereby the extra 20 billion ringgit was to be used to help 1MDB meet some of its debt obligations and for the purchase of two companies linked to Jho Low (Low Taek Jho / 劉特佐 ), Najib’s family friend and a Malaysian financier and the beneficiary of numerous discretionary trust assets said by the US government to originate from payments out of the Malaysian 1MDB fund, now a wanted key suspect involved in the 1MDB scandal.¹⁵

Adding to such dubious practices of China’s companies, and the fact that dubious deals from China with questionable terms had helped sustained a kleptocratic and increasingly repressive regime until the latter was ousted in a general election on 9th May 2018, is the generally felt sentiment among the local people as that expressed by the former New Straits Times group editor-in-chief Kadir Jasin who backs Mahathir’s fear that China companies and workers would have a monopoly on China-funded projects in Malaysia as China had a track record for putting “China first”: “China’s way of doing business in monopolistic and is founded on the concept of ‘China first’ – a throwback to ancient times when the Chinese believed they were the centre of the earth”.¹⁶ His argument is that China’s political control is in the hand of one single party, the Communist Party of China, to whom
electoral challenge is not allowed, which owns almost all the economic and industrial assets of China, and over the past decades has become the biggest business conglomerate in the world and is doing business with the rest of the world very much like the way it controlled the government and the military in China. Citing the example of an ongoing project to restore a heritage building to house the Malaysia’s Penang state branch of the Bank of China as an example of China’s monopolistic business methods, for if even the contract for such a sundry, everyday project as the rehabilitation and conversion of a heritage building was awarded to a China company, he asked, what is the likelihood of China awarding multi-billion ringgit projects it has secured in Malaysia, such as the East Coast Railway Line, to local contractors? He thus warned, “Unless we are fools or commission agents to China companies, we surely know that doing business with China is not the same as doing business with the USA, Europe and Japan. Or, for that matter, with any country practising multi-party democracy.”

As the new Malaysian government’s deputy minister of defence, political and civil rights activist Liew Chin Tong (刘镇东) comments in Free Malaysia Today (13th July 2018), “Having the Pan-Asia Railway [under China’s BRI] in mind would also show that the East Asia Rail Link (ECRL) and High-Speed Rail (HSR) are ideas that were not thought through carefully […] The economics of this project is unfeasible. It would take a maximum of three days to cross Peninsular Malaysia and, on top of that, having to carry out the extra work of unloading and re-loading of goods”, as this is not the Cape of Good Hope, where the size of the continent justifies the Suez Canal. However, the new deputy defence minister assures the Malaysian east coast states’ residents that: “It doesn’t mean that the east coast states don’t deserve better rail services but it can be done through double-tracking and electrifying the existing Gemas to Tumpat line.” Likewise, the
passenger-only HSR from Kuala Lumpur to Singapore, Liew says in comparison, would never generate the sort of traffic like that of the HSR between Beijing and Shanghai. While not rejecting the benefits of BRI’s Singapore-Kunming link idea, Liew emphasises that “it should be one that carries goods and not just passengers, as there will never be a HSR that is faster than flying from Kuala Lumpur to Beijing or Shanghai for passenger purposes.” (Liew, 2018)

The bold moves the vibrantly anti-graft new Alliance of Hope coalition government has immediately taken to make good on its election promise of scrutinizing the previous government’s dubious China deals with “unequal” terms perceived to be linked to the previous administration’s 1MDB “scandal of the century” and especially proceeded to cancel several extravagant infrastructural projects – which included among others the East Coast Rail Link (ECRL) that would result in the country’s over-indebtedness to China and turn the country into a pawn in the advancement of China’s ambitious regional agenda at the expense of Malaysia’s own national goals – have expectedly soured Malaysia-China relations as well as put certain parts of Malaysia’s new coalition government’s domestic electoral support base at risk. However, in recent months the new government has incredibly pulled off a tour de force by successfully renegotiating with China and relaunching the ECRL at a much lower cost – an achievement on which economics Professor Panos Mourdoukoutas thus commented, “In dealing with China, Malaysia has dared to do something Sri Lanka, Pakistan, and the Philippines didn’t – bring Beijing back to the negotiating table to cut the cost of the investment projects assigned to Chinese contractors”, in this case the ECRL that he described as serving the interests of Beijing more than the interests of Kuala Lumpur (Mourdoukoutas, 2019a). With this turn of events several other China-linked infrastructural projects that have also been shelved by the new Malaysian government are expected
to also be brought back to negotiation table for possible relaunching on more “equal” terms – for as Professor Mourdoukoutas ruminates, “Malaysia is already caught in China’s web, and there’s no escape from it” and the best it can do “is to bring Beijing to the negotiating table, and try to get better deals for projects under way” (Mourdoukoutas, 2019b) – while New Malaysia’s prime minister Mahathir Mohamad went to Beijing apparently to further mend fences by announcing his full support for BRI at the 2nd Belt and Road Forum for International Cooperation (BRF) held in late April 2019, pointing to a rebooting of the sometimes enigmatic relationship between the two countries which seems to be, after the recent hiccups and turns of events, now undergoing a rapid reconfiguration which constitute a main focus of Lafaye de Micheaux’s paper. After the “real democratic coup de théâtre born out of broad aspirations for justice, a return to law and the preservation of purchasing power” on 9th May 2019, Lafaye de Micheaux remarks, the new government has to juggle with Malaysia’s various economic and diplomatic partners to carry out reforms while inevitably recalibrating and defining from scratch the country’s dependency on China whose relations with Malaysia “had become too close and marked by embezzlement and support for a corrupt regime” prior to 9th May 2019.

Whether we are talking about China’s actions in the South China Sea or in Malaysia taking advantage of the vulnerability of the scandal-ridden Najib regime with the Filipino fishermen and Malaysian citizens facing the prospect of transgenerational mounting national debt on the receiving end, it is the people’s welfare that is being impacted upon by such encroachment upon or abuse of sovereignty. “As nation-state get overtaken by the prioritization of the global oriented activities […] the welfare of those within the nation-state becomes a secondary matter”, as an article in US-China Education Review comments on sovereignty and state welfare in jeopardy (Jotia, 2011: 245). Similarly for the people of a
country whose government’s corruption or repressive authoritarianism or human rights-eroding policy paves the way to dependency on and subservient to a predatory power who help to its head above water, as explored and analysed by the three articles of Rhisan Mae E. Morales, Elsa Lafaye de Micheaux and Diosdado B. Lopega respectively under this section, *Sovereignty, Dependency and Peripheral Realism*. The related focus on social welfare will be dealt with in more details in the subsequent section, *Social Welfare, Social Movement and Social Control*.

Rajendra Baikady, Shengli Cheng and R.M. Channaveer in the first article under the section, *Social Welfare, Social Movement and Social Control*, “Politics of Social Welfare: A Comparison of Social Work Curriculum and Pedagogy in India and China”, provides an interesting comparison of history and development of social work and public welfare programmes in India and China, keeping in mind it is the state’s responsibility to ensure the wellbeing of its citizens, and through in-depth interviews conducted with social work educators and students across India and China derives implications for pedagogy, practice and research.

Lawrence Ka-ki Ho, in the second paper under this section, “Policing Transnational Protests in an Asian Context: The WTO Sixth Ministerial Conference in Hong Kong”, reviews the first-ever transnational protest in Hong Kong that occurred in 2005 and studies the strategic foundations of the Hong Kong Police (HKP) in its debut encounter with transnational activism in a globalized context using multiple sources of data and derives conclusion with implications for policing in post-MC6 Hong Kong and the region, especially as to how the strategies carried out by the HKP reveal the similarities and variations between the policing environment in liberal democracies and the rest. The study’s significance certainly extends beyond its temporal
context too, especially for readers who are interested to see whether and in what way policing has evolved and changed crossing the 1997 British-to-China Handover in response to the changing context of the protesting trends emerging in Hong Kong since the early 2010s, and the outbreak of “Umbrella Movement” of 2014 as a large-scale broad-based popular protest against Beijing’s refusal to allow genuine free and fair direct popular elections of Hong Kong government and Chief Executive and continued intervention of Beijing that encroached upon the promised autonomy of the Hong Kong Special Administrative Region (as CitizenNews and Voice of Hong Kong’s Chris Yeung aptly titled his article “One Country Looms as Two Systems Fade” in a previous issue of the journal last year\(^\text{17}\)) which was the focus of an earlier special focus issue of this journal, From Handover to Occupy Campaign: Democracy, identity and the Umbrella Movement of Hong Kong,\(^\text{18}\) published upon the second anniversary of Occupy Campaign / Umbrella Movement.

In terms of policing and crowd-control tactics, it is also interesting to note that bean bag rounds (baton rounds fired as shotgun shells used for less lethal apprehension of suspects but can still severely injure or kill in a wide variety of ways) that were first used on Korean protestors during the 2005 WTO Sixth Ministerial Conference protests were used again 14 years later in Hong Kong citizens’ protest demanding the withdrawal of the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 proposed by the Government of Hong Kong in fear of the law being abused to further the repressive Mainland Chinese government’s extraterritorial action against political dissidents and further undermine the already much-eroded “One Country, Two Systems”. Three days after 1.03 million people took to the streets on 9th June 2019 breaking 16-year record of protests in Hong Kong, a total of 20 bean bag shots were fired, in addition to around 150 tear gas canisters and “several” rounds of rubber bullets according to
Hong Kong Police Commissioner Stephen Lo (盧偉聰), during their clash with anti-extradition law protestors on 12th June 2019 outside the Legislative Council’s complex, which resulted in 81 people aged between 15 and 66 having been injured, with several in a critical condition.

Two articles in the next section, *Trade, Investment and Regional Dynamics*, pick up the important topic of China’s Belt and Road Initiative (BRI) that has been the focus of an earlier special issue of this journal last year.

The BRI has featured prominently earlier in the enigmatic China-Malaysia relations explored by Elsa Lafaye de Micheaux in the first section of this journal issue and China’s charm offensive to secure the Philippines tightly in the web of influence as investigated by Rhisan Mae E. Morales’s and Diosdado B. Lopega’s respective articles under that section, as well as in the background of how and why China’s inroads of influence into the geopolitically strategic ASEAN state of Malaysia taking advantage of the latter’s vulnerable previous kleptocratic regime was of such importance and why China finds it vital to mend fences with Malaysia after the latter’s change of government to the extent of willing to reduce the ECRL cost by one third (from the crazily inflated 65.5 billion Malaysian ringgit or US$15.6 billion to just 44 billion ringgit or US$10.5 billion).

In their paper under this section on *Trade, Investment and Regional Dynamics*, “Belt and Road Initiative and the South American Integration Initiatives: A Comparative Analysis between Asian and Latin American Initiatives with a Complementary Proposition”, Henrique Pissaia de Souza and Tingyu Liu compare in detail crucial aspects of China’s Belt and Road Initiative and the integration initiatives developed in South America, derive conclusions about what South America can learn from the Chinese initiative and vice versa and propose the creation of a South
American Road focusing not only on South America but also Central America and the Occidental part of Europe, including places where the BRI is not prioritizing and yet could be complemented.

Saifur Rahman in his article, “Does the “Belt and Road Initiative” Possess Soft Power?”, on the other hand, views whether BRI’s strength bears potentiality for state actor’s national interest or will create chaos as depending upon the perspective and choice of the actor, and the accompanying financial burden, environmental issue, and lack of coherent governance architecture have the potential to provoke repulsion along participating nations, and hence it falls to China to showcase itself as a responsible actor to curb any such repulsion by way of proper institutions that can channel all parties’ activities through legal framework and posit a universality.

After the two papers on BRI, this section on Trade, Investment and Regional Dynamics closes with an article by Chii Torng Liew and Tuck Cheong Tang that leaves Mainland China to focus on Taiwan-ASEAN trade relations, “‘New Go South Policy’: Are Exports and Imports of Taiwan with ASEAN-10 Cointegrated?”, with empirical results that trade balances of Taiwan with ASEAN-10 are sustainable and that the Taiwan government’s macroeconomic policies including current president Tsai Ing-wen (蔡英文)’s “New Southbound Policy” (新南向政策) as well as the early versions of such Go South policy since former president Lee Teng-hui (李登輝) have been effective in the long run. Placing in the context of the long-running cross-Strait rivalry over influence and relations with ASEAN countries, the empirical findings of Liew and Tang can serve to contribute further understanding of the subject matters covered in the preceding articles and sections.

This journal issue has begun with China’s relations with the ASEAN member states of the Philippines and Malaysia and the potential analytical significance of a peripheral-realist context. In the last section
of this journal issue, *China, Sustainable Development and the Peripheral Frontier*, our focus again moves to the periphery, but this time the domestic periphery, to examine the issue of sustainable development in China southwestern frontier region of the Mekong River Basin and northern frontier grassland region of Inner Mongolia.

In the first paper of this section, "China’s ECM Model in Sustainable Management of Rivers: Drawing Lessons for the Zambezi River Basin from the Case of Mekong River", Lucy Anning analyses China’s two-in-one model comprising the environmental impact assessments (EIAs) and the corresponding ecological compensation mechanism (ECM), and the cumulative environmental impacts of the cascade development which is adopted and applied to the sustainability, management and development of the Mekong River Basin to derive conclusion on gains and future prospects to be attained in terms of socioeconomic, environmental, ecological and geopolitical benefits if these key strategic ecological management models are applied to the management of Africa’s Zambezi River Basin, given the severe negative impacts Chinese-built dam projects that have already been widely blamed for ecologically and geopolitically debilitating and damaging effects on local community and natural environment in the African countries, such as those from Sudan to Ethiopia in the eastern side of Africa and from Ghana to Cameroon to Congo in the west.

While Lucy Anning looks at China’s southwestern peripheral region and lessons from the hydro-projects there for the African continent, Emile Kok-Kheng Yeoh and Suruna focus on the country’s northern border frontier region of Inner Mongolia in their paper, “Environmental Dimension of Regional Development in China, with special focus on Grassland Ecological Compensation in Alxa League of Inner Mongolia”. While China’s population in poverty are concentrated in the “western region” (officially designated “western” but includes also Inner
Mongolia which is actually northern), in the mountainous areas and in ethnic minority areas, most of the country’s 592 poverty counties (366 of which are in the “western region”) are distributed over several major areas of fragile environmental habitat including, inter alia, Inner Mongolian plateau’s southeastern border area that suffers from desertification. Yeoh and Suruna’s paper focuses on poverty in China’s “western region”, its determining factors especially environmental degradation that is dominated by the three main issues of soil erosion, desertification and grassland deterioration, and State policies to overcome these problems, and includes a specific case study of the grassland ecological compensation policy in the Alxa League of Inner Mongolia.

This journal issue ends with the book review by Mária Ilona Bábosik on Ling Chen’s *Manipulating globalization: The influence of bureaucrats on business in China* (2018).

Before ending this foreword, we would like to thank all the contributing authors of the articles in the various sections of this issue, and the anonymous reviewers of these articles for their invaluable efforts in making the publication of this Volume 5, Issue 1 (April/May 2019) of *CCPS* possible. For the three articles on the Philippines-China relations and India-China comparison respectively which represent new versions of the earlier papers presented at the 2017 Sizihwan International Conference on Asia-Pacific Studies – “Challenges to Local Politics in the Asia-Pacific Region”, duly revised by incorporating critical peer feedback received at the conference and from other reviewers, we would also like to thank these conference presenters who have taken great effort to revise their papers for inclusion in this special issue as well as the discussants, conference participants and other reviewers who have given invaluable assistance in providing critical comments on the earlier versions of these three papers. We are also grateful to Miss Wu Chien-
(吴千宜) for the journal’s website construction and maintenance. The responsibility for any errors and inadequacies that remain is of course fully mine.

**Dr Emile Kok-Kheng Yeoh**

Chief Editor

*Contemporary Chinese Political Economy and Strategic Relations: An International Journal*

**Notes**


2. Which can be vividly illustrated in the instrumental aspect by comparing the equally draconian dissent-crushing laws: in China the crime of “inciting subversion of State power” (煽動顛覆國家政權罪 / shandong dianfu guoja zhengquan zui) and “gathering a crowd to disrupt public order” or “picking quarrels and provoking troubles” (尋釁滋事 / xunxin zishi) charge which was described by the Dui Hua Foundation (中美對話基金會), the San Francisco-based human rights organization that focuses on detainees in Chinese prisons, as a nebulously defined “pocket crime”
charge into which “anything can be stuffed”; in Malaysia the Sedition Act and not long ago also the Internal Security Act.

3. William Case (2018: 15) citing The Economist (“Dark days: Cambodia is systematically squashing all forms of dissent – Unions, NGOs and environmental activists are all feeling the squeeze”, 19th December 2017 <https://www.economist.com/asia/2017/12/19/cambodia-is-systematically-squashing-all-forms-of-dissent>.

4. “Live updates: Supreme Court rules to dissolve CNRP”, The Phnom Penh Post, 16th November 2017. On that day, the ASEAN Parliamentarians for Human Rights chairperson Charles Santiago, a member of the Malaysian parliament, released a reaction to the court's decision: “The Supreme Court has hammered the final nail in the coffin for Cambodian democracy. Its decision not only leaves the country without its only viable opposition party less than a year before scheduled elections, but also completely undermines Cambodia’s institutional framework and the rule of law.” <https://www.phnompenhpost.com/national-post-depth-politics/live-blog-supreme-court-rules-dissolve-cnrp>


8. “馬華沒出路，才大搞一帶一路 / Mahua mei chulu, cai dagao Yi Dai Yi Lu” [MCA sees no road in front, hence going big on One Belt and One


12. “China seems ‘worried’ about Malaysia’s new leadership, and a suspicious $2 billion deal could be the first sign of trouble” (reported by Tara Francis Chan), Business Insider, 6th June 2018. <https://www.businessinsider.my/china-concerns-malaysia-new-government-mahathir-mohamed-2018-6/?r=US&IR=T>


“China will put China first, says Kadir Jasin – Signs are everywhere that China companies and workers will be monopolising China-funded projects in Malaysia, claims the veteran newsman”, Free Malaysia Today, 20th February 2017. <http://www.freemalaysiatoday.com/category/nation/2017/02/20/china-will-put-china-first-says-kadir-jasin/>


20. “【港《逃犯條例》修訂爭議】媒體工作人員疑頭部中彈”
[[Hong Kong “Fugitive Offenders Ordinance” amendment dispute] media staff suspected shot in the head], Oriental Daily News, 12th June 2019 <https://www.orientaldaily.com.my/news/international/2019/06/12/294026> (東方日報 / Oriental Daily News is a Malaysian daily in Chinese);
“‘Very restrained’ – Hong Kong police say 150 rounds of tears gas, 20


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