



## China Reform Monitor No. 1467

June 16, 2021 **Joshua Eisenman**

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### **WHITE HOUSE: ENGAGEMENT WITH CHINA "HAS COME TO AN END"**

"Engagement has come to an end," U.S. policy toward China will now operate under a "new set of strategic parameters," and "the dominant paradigm is going to be competition," Kurt Campbell, the Indo-Pacific affairs coordinator at the National Security Council, has said. Citing military clashes on China's borders, an "economic campaign" against Australia, and aggressive "wolf warrior" diplomacy, Campbell described what he called a shift toward "harsh power, or hard power" on the part of Beijing that "signals China is determined to play a more assertive role."

Chinese leader Xi Jinping has "almost completely disassembled nearly 40 years of mechanisms designed for collective leadership," Campbell said, adding that Director of the Central Foreign Affairs Commission Office Yang Jiechi and Foreign Minister Wang Yi, who led recent bilateral talks in Alaska, lack any real power. "We believe that the best way to engage a more assertive China is to work with allies, partners and friends," Campbell said, adding that "the best China policy really is a good Asia policy. For the first time, really, we are now shifting our strategic focus, our economic interests, our military might more to the Indo-Pacific." (Bloomberg, May 26, 2021)

### **CHINA ALLOWS THREE CHILDREN AMID FALL IN BIRTHS**

China will allow couples to have up to three children. Chinese president Xi Jinping approved the change after China's 2020 census data showed a steep decline in birth rate. About 12 million babies were born in 2020 – compared to 18 million in 2016 – the lowest number of births recorded since the 1960s. According to Xinhua, the initiative will come with "supportive measures, which will be conducive to improving our country's population structure, fulfilling the country's strategy of actively coping with an aging population and maintaining the advantage, endowment of human resources." Meanwhile, the pressure mounts on middle-aged single children, who must work long hours in order to be able to care for their parents. In cities, many Chinese women now choose higher education and employment over having a large family. (BBC, May 31, 2021)

[EDITOR'S NOTE: Chinese savings have long sat in bank deposits or chased speculative returns in the real estate market. In 2020, about 60 percent of all household assets were in property, and 24 percent were in cash deposits.]

### **FAKE COVID-19 VACCINES POSE NEW THREAT IN AFRICA**

Last November, a task force of customs and organized crime units raided a warehouse in an industrial park in Germiston, South Africa and seized 2,400 doses of fake COVID-19 vaccine in 400 ampules hidden in plastic containers in a refrigerator. Counterfeit 3M-branded N95 masks worth almost \$450,000 were also found. The facility was leased by a Zambian national, who was arrested along with three Chinese nationals. The bust, which was Africa's biggest public seizure of fake coronavirus vaccinations to date, required the coordination of African governments, police agencies and health authorities. The problem extends beyond South Africa. Nigeria's National Agency for Food and Drug Administration and Control has called for public awareness about fake vaccines. (*Wall Street Journal*, June 6, 2021)

### **ARAB COUNTRIES ARE DEPORTING UYGHURS TO CHINA**

At China's behest, Egypt, the UAE and Saudi Arabia have all detained and deported dozens of Uyghurs. In Egypt, the figure is estimated to be in the hundreds. In 2017, at least 20 Uyghurs – most of them students at Cairo's prestigious Al-Azhar Islamic university – were repatriated at China's behest. In Saudi Arabia between 2018 and 2020, at least one Uyghur Muslim was detained and deported after performing the Umrah pilgrimage, and another now faces likely deportation. In one case in Dubai, China's extradition request was carried out over the objections of the relevant prosecutor. China currently holds approximately two million Uyghurs in camps in Xinjiang. (CNN, June 8, 2021)

## **BUSH CHINA FOUNDATION TAKES \$5 MILLION FROM THE CPC**

The China-United States Exchange Foundation (CUSEF), an officially registered foreign agent acting on behalf of the CPC, is providing \$5 million to the George H.W. Bush Foundation for U.S.-China Relations. According to the grant agreement, from 2019 through 2023 CUSEF is donating \$1 million per year to the Bush China Foundation. In 2019, the Foundation took in less than \$1.2 million in contributions, meaning CUSEF funding represents the lion's share of its working capital. The agreement commits the Bush China Foundation to keep CUSEF abreast of its activities "to assure continued alignment of the two parties' objectives." The groups must consult "on matters pertaining to the work of the Bush China Foundation supported by this grant." It states: "The Bush China Foundation in no way acts under the order, request, direction or control of CUSEF. This agreement establishes no 'principal'/agent' relationship between the two parties." (Axios, June 5, 2021)

[EDITOR'S NOTE: CUSEF has disclosed in U.S. filings that it paid for lobbying campaigns to "influence key constituencies" regarding "China's true intentions and efforts in Tibet." CUSEF is one of a number of Beijing-affiliated organizations "intended to spread China's political agenda," Rep. Michael McCaul (R-TX), who chaired the Foreign Affairs Committee, and Rep. Henry Cuellar (D-TX) wrote in 2018.]