

IPAC China Lexicon



IPAC CHINA LEXICON

The IPAC lexicon aims to define some key terms. It is divided into 4 sections:



Each entry is drafted with senior experts. It aims to provide succinct and easily understandable explanations, in addition to conceptual clarity where it may have been lacking.

The lexicon is designed to be an ongoing project. New terms will be added, and existing terms reviewed and revised as conversations around China evolve.

SET 1: DEFINING POLICY TERMS

Terms and phrases commonly used when discussing China

DEPENDENCY

One country having excessive leverage over another in markets, supply chains, and sovereign and societal interests in a way that compromises the autonomy of the dependent country.

DE-RISKING

Reducing and managing any form(s) of risk and vulnerability of one country to coercion and/or other forms of disruption by another country, whilst mitigating the effects and limiting exposure to avoid excessive dependency.

FRIEND-SHORING

Building resilience through encouraging trade and investment practices in the development of supply chain networks that prioritise trusted countries with shared ideals and objectives.

RESILIENCE

The ability of a country to maintain normal functioning of supply chains, infrastructure, political process, and economic activity and the ability to recover to that level of functioning in the event of shock.



DEPENDENCY

One country having excessive leverage over another in markets, supply chains, and sovereign and societal interests in a way that compromises the autonomy of the dependent country.

Breakdown:

Excessive leverage — An ability to apply significant costs without incurring significant cost.

Markets — Domestic and international.

Supply chains — Finance, production and logistics, including service, management technology (software) and standards.

Sovereign interests — Politics; critical national infrastructure; energy and resources; science and technology; defence and security; digital infrastructure and cyber security.

Societal interests — Human environment: health, jobs and livelihoods; culture and memory, values.

Additional Note(s):

The definition is formulated for countries, but is applicable in concept (excessive leverage) to transnational and multinational actors, including companies and organisations.

Subsidiary definition for **negative dependency**:

...in a way that compromises the autonomy of the dependent country which is deemed by the dependent country to be against its sovereign interests



DE-RISKING

Reducing and managing any form(s) of risk and vulnerability of one country to coercion and/or other forms of disruption by another country, whilst mitigating the effects and limiting exposure to avoid excessive dependency.

Breakdown:

Reducing and managing (risk) — 3 components:

- Assessment ascertaining what constitutes risk, its likelihood and impact
- Resilience what is in place (existing), and what can or might be in place (potential)
- Management considering cost-to-benefit; stock-piling, industrial policy, friend-shoring

Form(s) of risk — Economic, diplomatic, military, societal and value/institutional; both identified (supply chain disruption, technology leakages) and new (military enabling, loss of sovereignty, loss of prosperity).

Coercion and/or other types of disruption — Leveraging of dependencies of a target country on another by that other country in order to compel a desired behavioural change or outcome.

Excessive dependency — One country having excessive leverage over another in markets, supply chains, and sovereign and societal interests in a way that compromises the autonomy of the dependent country.

Additional Note(s):

De-risking as a concept is vague by design unlikely to be defined as a concept by any stakeholder. This is probably to facilitate alliance building and to keep policy space open for individual actors to tailor their approach.



FRIEND-SHORING

Building resilience through encouraging trade and investment practices in the development of supply chain networks that prioritise trusted countries with shared ideals and objectives.

Breakdown:

Building resilience — friend-shoring is one aspect of resilience, and may be without being limited to being part of diversification.

Encouraging trade and investment practices — the rearrangement of supply chains through formal, structured and legally binding agreements (i.e., Critical Mineral Framework, Mineral Security Partnership) that deepen trust, as well as informal and less structured agreements, understandings and guidance.

Trusted countries — countries with whom we have a common understanding and can rely upon to act in good faith.

Share ideals and objectives — based on a common perception of threat, and not necessarily likeminded or those with whom we share values or systems.

Additional Note(s):

Aspects of friend-shoring include but are not limited to ally-shoring, near-shoring and re-shoring, which may however have objectives other than supply chain resilience through diversification, ie. shortening supply chains for environmental reasons.



RESILIENCE

The ability of a country to maintain normal functioning of supply chains, infrastructure, political process, and economic activity, and the ability to recover to that level of functioning in the event of shock.

Breakdown:

Shock — A disruption to normal functioning, whether or not effected by another state.

Additional Note(s):

In China resilience is defined around the Chinese Communist Party (CCP) rather than state, a reflection of the way a Peoples Republic differs from a nation-state. Thus, resilience is defined around the survival of the party leadership from threats within the party; and the survival of the party and party system from domestic and foreign threats.

SET 2: DEFINING CHINESE CONCEPTS

Terms and phrases used by the CCP.

SOVEREIGNTY

The exclusive and absolute right of a national government to exercise its authority, control and jurisdiction over the internal affairs of the nation.

SECURITY

The consolidation of the Chinese Communist Party's absolute and defining position in China and among the Chinese people; to protect the leadership, party and state from domestic and foreign threats; and to be free to advance its relative power among other states.



SOVEREIGNTY

The exclusive and absolute right of a national government to exercise its authority, control and jurisdiction over the internal affairs of the nation.

Breakdown:

Exclusive — sole authority, not recognising any other authority, including those of international bodies.

Absolute — unchallengeable and total, which rejects any foreign criticism of domestic or internal affairs.

Right — effective right through actual control; its historic right through continuity with the past; and through electoral legitimacy.

Authority, control and jurisdiction — conceptual and allencompassing right of the Chinese Communist Party (CCP) to define memory and narratives (authority), to assert the authority (control) over the state, and to do so through a legal system that serves the Party (jurisdiction).

Internal affairs of the nation — a civilisational rather than state-based understanding not defined by territory, and encompassing all people considered by China to be members of Chinese civilisation.

Additional Note(s):

Sovereignty is taken to apply differently depending on national and civilisation power. China therefore sees no inconsistency in proclaiming it places high importance on respecting sovereignty whilst contradicting this in actions that assert Chinese authority over members of the Chinese diaspora and the freedom to report on and shape perceptions of China.



SECURITY

The consolidation of the Chinese Communist Party's absolute and defining position in China and among the Chinese people; to protect the leadership, party and state from domestic and foreign threats; and to be free to advance its relative power among other states.

Breakdown:

Absolute and defining position — an unchallengeable position of authority in China and among the Chinese people that confers on it the right to define and represent China, Chinese civilisation, culture and history, as well as the Chinese people and what it means to be Chinese.

China and the Chinese people — as defined by a shared civilisational ancestry, and which is and who are today defined by the Chinese Communist Party, including territories outside of China's geographic borders and people who may reside overseas.

Leadership, party and state — the Chinese Communist Party leadership, the Chinese Communist Party and the Chinese state, in order of importance.

Domestic and foreign threats — any threat that threatens the territorial integrity and harmony of China ("separatism" and "splittism"), and/or undermines the absolute authority of the Chinese Communist Party and the One-Party system ("sedition").

Freedom to advance — absence of external constraints.

Leading role among other states — accepting of diversity and multi-polarity within a framework of Chinese leadership.

SET 3: STATE INITIATIVES

A primer on Chinese state initiatives.

DUAL CIRCULATION

An approach to rebalance the Chinese economy that delineates between domestic (internal) and external. It aims to increase the role of the domestic economy while reducing reliance on the rest of the world so as to achieve greater national and economic resilience, while at the same time expanding opportunities for international trade that serve China's interests.

BELT AND ROAD INITIATIVE (BRI)

A global development template that utilises excess industrial capacity in China to establish or upgrade land and maritime trade networks, digital ecosystems, diplomatic and security networks centred on China and Chinese standards and norms, with the aim of improving regional integration, increasing trade and stimulating global economic growth.



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Breakdown:

Delineating between domestic and external — delineated but overlapping, with domestic circulation at the core:

Internal circulation — improving supply chains inside China, promoting the role of private consumption and services, and facilitating the growth and development of Chinese corporate champions to engage externally.

External circulation — removing choke points and attracting foreign imports and investment that strengthens China's capabilities; building platforms for more value-added (especially technology) exports by China.

Additional Note(s):

Announced in 2020, it is a continuation of previous policies, in particular Made in China 2025 and the prior 'indigenous innovation' focus.

Ambiguity of Dual Circulation Strategy means that policy can be adjusted based on domestic and external circumstances, and the approach taken can shift depending on evolving risks.



BELT AND ROAD INITIATIVE (BRI)

A global development template that utilises excess industrial capacity in China to establish or upgrade land and maritime trade networks, digital ecosystems, diplomatic and security networks centred on China and Chinese standards and norms, with the aim of improving regional integration, increasing trade and stimulating global economic growth.

Breakdown:

Launched in 2013, it has been codified in China's constitution as is known within China as One Belt, One Road (OBOR) 一帶一路.

Global development template — An overarching template promoting a state-sponsored economic development model driven by state-owned enterprises and state-financing; and the reallocating of Chinese labour, industrial capacity and capital to internationalise the state-owned sector.

Land and maritime trade networks — Focused on infrastructure (construction and energy) and financing.

Digital ecosystems — Enhancing the interoperability of digital ecosystems (Digital Silk Road).

Diplomatic and security networks — Legitimate diplomatic and security concerns come with what is principally an economic development model, which drives regionalisation and promotes China's global viewpoint (i.e. 17+1).

Establishing Chinese standards and norms — The anticipated and desired corollary of Chinese influence and technology'

Additional Note(s):

(1) BRI is not transparent by design given the central role of state-industry and state-capital.

⁽²⁾ As both an economic and geo-economic platform for China, BRI projects are often dual-use.

⁽³⁾ BRI has evolved away from large infrastructure projects to "small and beautiful" projects.

⁽⁴⁾ BRI is increasingly promoted alongside more specific development slogans, including the Global Development Initiative (GDI), Global Security Initiative (GSI) and the Digital Silk Road — which is itself tied to the Global Data Security Initiative (GDSI) and China Standards 2035.

SET 4: CHINESE COMMUNIST PARTY SLOGANS

A brief explanation.

"Great Rejuvenation of the Chinese People"

A once weak and humiliated Chinese civilisation has through the leadership of the Chinese Communist Party risen to it's rightful position of wealth, power and respect, demonstrating both China's strength and moral superiority.

"Great changes, unseen in a century"

A time of instability and new challenges, but also promise for China and for the world, as the global order transits inevitably from American to Chinese leadership.

"Great Rejuvenation of the Chinese People"

A once weak and humiliated Chinese civilisation has through the leadership of the Chinese Communist Party risen to it's rightful position of wealth, power and respect, demonstrating both China's strength and moral superiority.

Breakdown:

Primarily targeted at a domestic (Han-) Chinese audience.

Builds upon a tradition of revisionist historiography that glorifies China's imperial past and links it to the current ruling regime, providing legitimacy through invoking a sense of continuity and stability.

Relating to Xi's Jinping's China Dream of socialist led development and modernisation with Chinese characteristics.

Key terms:

"Rejuvenation" — To overcome and emancipate from the great humiliation of the "century of humiliation" when China's greatness was undermined by foreign powers and internal mismanagement.

It promises "a better future" that combines deeply conservative Confucianist values, upon which an imagined and glorified imperial past was built, with core socialist values to deliver economic and material wealth for all Chinese people. Conceptually there is enough interpretative room that people might read in to it what they wish.

Past weakness and victimisation is understood to be a result of the injustices of a Western lead global order that China must now replace to return to it's rightful role and to demonstrate both strength and moral superiority.

"The Chinese People" — A Han-centric identity that includes the Han majority and the 55 other recognised Chinese minorities as defined by the Chinese state, both within China and overseas.

"Great changes, unseen in a century"

A time of instability and new challenges, but also promise for China and for the world, as the global order transits inevitably from American to Chinese leadership.

Breakdown:

Used (increasingly) alongside the related and more overarching slogan "Great rejuvenation of the Chinese people".

Contrasts with the American century, and suggestive of a natural and progressive shift in great power leadership, that the current problems of the world are the fault of the US and the West — problems that China will solve.

Key terms:

"Great Changes" — Emphasis on great power transition, from the unipolar order of the US to a Chinese lead multipolar order; and a sense that China has already risen, a new order defined by civilisational states has begun, and that this is recognised.

Changes suggest new challenges and instability during this transition, from security to climate; and the need for China to be strong and unified in facing these challenges and taking advantages of opportunities that arise.

"Century" — A past "American century" and Western-lead global order under during which China was humiliated and displaced from its natural position; and the realisation of a new Chinese (CCP) century, or an Asian century with China as the dominant power and voice of Asia, in which a renewed China resumes its rightful and historic place as the central or "Middle Kingdom".

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CONTACT



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