Nationalism and the Marketplace of Ideas: China from 1990 to 2010

(Magnus Rom Jensen, Master Thesis in Political Science, Department of Sociology and Political Science, Norwegian University of Science and Technology, May 2011)

(Photo credit: Marianne Bagron Jensen, Chinese New Year in Shi Long, 2009)
Acknowledgements

This thesis has taken been long in the making, and along the way I have been fortunate to meet many helpful individuals who have taken time out of their invariably busy schedules to help me with this work. Needless to say, none of those named bear any responsibility for what follows and any faults or errors are mine alone.

I would first like to thank my advisor Paul Midford. He played a big part in getting me interested in East Asia in general and China in particular. His advice on this thesis and on other topics have been of enormous help. Constantly on the lookout for spurious arguments and faulty logic, Paul Midford has done much to keep my analysis reasonable and my facts straight.

I am also indebted to Jonathon Moses for reading parts of this thesis and helping me improve on it. The methodological and theoretical parts of this thesis would have been much weaker were it not for his vigilant reading and constructive criticism.

My fellow students at NTNU also deserve credit for steady encouragement. Magne Stolpnessæter has provided me with much intellectual stimuli, always prepared to debate all things Chinese. Hanne Seter and Gina Olafsson patiently read draft chapters and provided much helpful feedback, as did Alf Petter Jakobsen and Kent Inge Grodem. In addition, I have been given much encouragement by Mattis Dahl Åmotsbakken, Stian Bendiksen and Walther Sommer.

I would also like to extend my gratitude to The Nordic Institute of Asian Studies in Copenhagen for granting me a Supra Nordic Scholarship in the period 29.03.2010-11.04.2010. This provided me with access to their wonderful library, a change of scenery and helpful advice from their staff. In addition, I want to thank the Centre for East Asia studies at the Chinese University of Hong Kong. The academic year spent there (2008-2009) was a real eye-opener for me. I would like to thank Arif Dirlik for his wonderful classes on China, Willy Lam for his class on the contemporary Chinese leadership and Frank Ching for his class on Sino-US relations.

And last but not least, I would like to thank my wonderful partner Marianne for all that you have done and been for me. You joined me on our trip to Hong Kong, China and together we explored much of East Asia. Back in Norway, you took care of Emma while I was working on this thesis. For this and so much more, I am forever thankful.

Trondheim, 25.05.2011
Magnus Rom Jensen
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Introduction

China in the 1990's was still reeling from the shock of Tiananmen Square, and the Chinese Communist Party (CCP) was hard at work trying to keep a lid on domestic opposition. To maintain their grip on power, the marketplace of ideas was keep firmly under control in the early part of the decade. As the 1990's came to a close, the marketplace was slowly liberalizing, in large part because of the growth of the Chinese internet. The 2000's saw the marketplace of ideas further, with more suppliers entering the market, and the internet growing at breakneck speed. Newspapers and other media outlets became increasingly sensitive to market demand.

How has this affected Chinese nationalism? Conventional liberal thinking proscribes freedom of speech and a free press as antidotes to nationalism, under the assumption that a free marketplace of ideas will weed out bad ideas and allow good ideas to prosper.

In this thesis, I attempt to answer the question: how does the Chinese state's retreat from the marketplace of ideas affect nationalism? My primary hypothesis is nationalism will increase as the Chinese state retreats from the marketplace of ideas. A corollary of this hypothesis is that a freer marketplace of ideas with increasing nationalism provides the CCP with strong incentives to defend its nationalist credentials, even at the expense of other interests.

My competing hypothesis is nationalism will decrease as the Chinese state retreats from the marketplace of ideas. A corollary of this hypothesis is that a freer marketplace of ideas does not provide the CCP with strong incentives to defend its nationalist credential, allowing the CCP to largely ignore nationalist demands.

The importance of investigating and understanding the issue of nationalism in a liberalizing marketplace of ideas should be obvious, and nowhere more so than in China. If liberalizing the marketplace of ideas can lead to nationalism, the assumptions underlying much Western foreign policy would be flawed, or at least be in need of re-thinking. My conclusion in this thesis is that the liberalization of the Chinese marketplace of ideas lead to an increase in nationalism. While China is not a democracy, and the general population has little say in the foreign policy making process, any regime is in need of some form of legitimacy. In China, that legitimacy is increasingly based on nationalism.

With this thesis, I hope to further our understanding of Chinese nationalism. Other studies have been done on this topic, some of which I review below, but there is a need for an understanding of how nationalism is affected by the forces of a liberalizing marketplace of ideas. It is my hope that this thesis can make a contribution towards that end.
The thesis follows this plan: first I review some of the literature on Chinese nationalism in the chapter that follows this introduction. Space considerations prohibit an exhaustive literature survey, and I have been forced to select three works that explain much about Chinese nationalism today.

To answer the question of how nationalism in China is affected by the liberalization of the marketplace of ideas, I rely on Mill's method of difference and process-tracing. The Method chapter discusses some of the challenges the researcher faces when measuring nationalism, as well as my suggestions for overcoming these hurdles when investigating contemporary Chinese nationalism.

Then follows a chapter on what the nation and nationalism is. The definition of the nation and nationalism is the matter of much debate, and this thesis defines the nation as an “imagined political community, and one that is imagined as both limited and sovereign” (Anderson [1983] 2006: 6). Nationalism is defined as “[...] primarily a political principle, which holds that the political and the national unit should be congruent” (Gellner [1983] 2006: 1). The chapter includes a discussion of how the nation and nationalism emerged. The chapter ends with a discussion on the contemporary relevance of Anderson's and Gellner's explanations for the emergence of the nation and nationalism.

Following the chapter on the nation and nationalism, the chapter on the marketplace of ideas defines the marketplace of ideas as the arenas in which public discourse takes place, and where ideas and policies are debated. Mass communications (newspapers, radio, television, the internet etc.) are the most obvious arenas. In addition, following Snyder and Ballentine (1996:12), I also include “[...] local networks of face-to-face persuasion, as well as elite publications and discourse that generate ideas for mass dissemination”. The chapter discusses the liberal conception of the marketplace of ideas, before showing how the marketplace can be used to spread nationalism. The chapter ends with a discussion on the particular factors needed to analyse the Chinese marketplace of ideas.

After the chapter on the marketplace of ideas, the empirical part of this thesis starts. The cases under investigation in this thesis are China, divided into two time periods: 1990 to 1999 and 2000 to 2010. The chapter starts with a brief outline of nationalism in the marketplace of ideas prior to 1990, before starting the first full fledged case study. The chapter on China in the period 1990-1999 describes the marketplace of ideas in the period and how groundwork was laid for the emergence of nationalism in the late part of the period and in the 2000's. Central to this development was the patriotic education reform and the changing narrative of the Chinese past. I use the Diaoyu/Senkaku dispute and the 1999 bombing of the Chinese embassy to show how, at this early stage, the CCP is still able to stay in control of the situation. The chapter ends with a
discussion of the growth of the Chinese internet in the second half of the decade.

The second period saw the explosive growth of the Chinese internet, and I discuss the implications of this development for the marketplace of ideas. This is followed by an analysis of the internet censorship regime in China, a form of market manipulation. Following this, I analyse the 2001 spy plane incident, in which a US spy plane had to make an emergency landing on Hainan, causing a major dispute between China and the US. After this, I look at the 2010 iteration of the Diaoyu/Senkaku dispute between China and Japan, and show how the CCP struggled to stay in control of the marketplace and the growing nationalism.

The last chapter summarizes the findings of this thesis. The liberalization of the marketplace of ideas in China, has lead to an increase in nationalist sentiment and nationalist action. The CCP increasingly turned to nationalism in lieu of their previous legitimizing strategy. As the old socialist ideology increasingly rang hollow for ordinary Chinese, the CCP attempted to tie the fate of the nation to the fate of the party. As long as they can maintain that linkage, Chinese nationalism is likely to be a conservative force in Chinese society. However, the liberalization of the marketplace of ideas increasingly means that the nation can be imagined outside the official boundaries of the politically acceptable. This is the real challenge for the CCP, as they open up the marketplace of ideas.
Contemporary Chinese Nationalism: the literature

Contemporary Chinese nationalism has been explained in various ways. In this sub-chapter, I survey some of the literature on the subject. For obvious reasons, I cannot possibly cover all the explanations that have been offered, and thus I was forced to select those that I feel cover much the same ground as do I, but offer different explanations.

I survey three explanations for Chinese nationalism. While there is considerable overlap between the three, they differ in their explanations for why Chinese nationalism is on the rise today. These explanations inform my own analysis of Chinese nationalism. Where we differ is in focus and the explanatory power given to different variables.

The three explanatory variables identified in this selection of the literature, are i) concern for face, ii) elite mythmaking and iii) remembrance. Gries (2004) argues that Chinese nationalism (and nationalism more general) is in large part motivated by a concern for face, a concept which captures both the emotional appeal as well as the instrumental appeal of nationalism. He (2007a; 2007b) argues that nationalism is in large part inspired by myths propagated by elites for their own political advantage. Lind (2008) argues that remembrance and apologies are an important part of nationalism. Apologies are costly signals, and can be used to reassure former adversaries of a nation's current pacific intentions.

There is, as mentioned, a great deal of overlap between these explanations and my own. Gries spends much time on historical narratives, detailing how Chinese narratives of their own past has changed form a victor's narrative to a victim's narrative. This is not unlike He's focus on myths and how different ways of remembering are changed for political purposes. And likewise, Lind's focus on apologetic remembrance can be seen as a type of historical narrative.

There are important differences between these explanations: Gries' explanation draws on social-psychological theory to explain nationalism as an in-group/out-group dynamic. This perspective focuses on the relationship between nations, and less on the bargaining that takes place between the public and the leadership. He Yinan focuses on domestic factors, and how domestic elites spread national myths to gain legitimacy. Lind's focus on remembrance as a form of signalling takes into account both domestic and foreign audiences, but her focus is on signalling between nations, and less on how domestic nationalist opposition to costly signalling comes about. There are certainly other explanations for Chinese nationalism, but due to space considerations, I will not
In the remainder of this sub-chapter I will consider the three explanatory variables in the order set above.

**Facing Chinese Nationalism**

Peter Gries (2004) argues that Chinese nationalism develops in a complex interplay between domestic Chinese audiences and the CCP, and between China and other major powers in the international system (Japan and the USA). His focus is on Chinese society and how nationalists use media to create their picture of China. Gries shows how various media channels are used by nationalists, but he does not show how the various media outlets and nationalists are motivated by market forces: media outlets are increasingly profit driven, as are nationalist writing in the marketplace of ideas. While Gries notes the best-selling status of many of the nationalist books published in the 1990's, he does not dwell on why these are being written. I argue that nationalist ideas (and the books and other media that support these ideas) are being spread for one of two reasons: either to gain financially or to gain politically. Unlike Lind (2008), Gries focuses more on societal remembrance of the past, and less on governmental remembrance, analysing nationalist expressions in its varied guises (demonstrations, books, the internet, etc.). Central to his argument is the concept of face, a concept that has long had negative connotations in the English language. Gries argues that this is a mistaken view, and that concerns for face are universal human concern (2004: 23).

Face is not just a concern for appearances, as is often thought by Western analysts. Face also concerns issues of power and authority. In other words, concern for face is both an emotional concern and an instrumental concern. This is not dissimilar to the importance deterrence theory places on maintaining reputation, to convince others of one's resolve in a crisis (Midford 2007: 167). By placing face, the “self shown to others” (2004: 24) at the center of his understanding of nationalism, Gries offers a solution to the frustrating dichotomy rational vs. emotional in the understanding of nationalism. In the case of Chinese nationalism, this debate has taken the form of a debate on the relative agency in nationalism: is Chinese nationalism a product of “genuine” (emotional) outpourings of the Chinese people or is it simply a propaganda tool deployed by a Communist party feeling its legitimacy slipping away? For Gries, it is a combination of the two: “There are both emotional and instrumental motivations for defending the “self shown to others” (2004: 24).

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If face is a universal human concern, why are we seeing an increase in contemporary Chinese nationalism? The major change in China with regards to nationalism and national identity over the past thirty years according to Gries, is the changing narrative of Chinese history. Narratives, the stories a nation tells about its past, shape today's politics. The change in China has been from a “victor's narrative” to a “victim's narrative”, going from a focus on Chinese past victories to a focus on Chinese victimization.

The two narratives are not exclusive, but their relative strength differs. The victim's narrative has increased in power, relative to the victor's narrative, since the 1980's. Narratives, as stories that a nation tells about the past, are more than just which stories are told, but also how the nation remembers its past. Different narratives focus on different events, giving different emphasis and different meanings to the same events. As such, they are sensitive to the political milieu at any given time.

The different narratives of Chinese history has two functions, one instrumental and one emotional. First, the victor's narrative fit perfectly with the needs of the CCP before the establishment of the PRC and in the aftermath of the end of the civil war with the KMT. The focus should not be on past suffering, but on building “new China”. Past suffering was blamed on feudalism and imperialism, historical materialistic forces in the Marxist historiography of the time. The victor narrative allowed the CCP to cast the past in terms of their ideology, and depersonalize history. The heroes of this narrative were of course the Chinese peasant/proletariat who had cast of the yoke of feudalism and imperialism. The “myth of the military clique” discussed below, is an example of the victor's narrative that fit well with the political dogma at the time.

Second, the change from a victor's narrative to a victim's narrative allowed previously suppressed memories of the past to emerge from the private to the public, from being told among families to being discussed by society at large. This process arguably started in the 1980's, with the restart of patriotic education, the increasing coverage of Japanese atrocities in Chinese schoolbooks and the many museums covering the Japanese occupation that opened during the decade. He Yinan (2007b: 51) suggests that this change be understood “[…] in light of the post-Cultural Revolution socio-economic difficulties and burgeoning democracy movement, as well as political cleavages within the CCP”. Beijing's protest at the new Japanese textbooks were “[…] evidently based on a rational calculation that the tasks of enhancing internal cohesion and boosting regime legitimacy were more pressing than maintaining harmonious relations with the West [including Japan]” (He 2007b: 51).

The 1997 return of Hong Kong to the PRC further entrenched the victim's narrative in the
Chinese nationalist consciousness. Since this was a victory for China, one might have expected the event to produce joy and a reaffirmation of the victory narrative. Instead, the return of Hong Kong opened old wounds, reviving old memories of China's suffering at the hands of imperialism (Gries 2004: 49).

The emerging victim narrative allowed previously suppressed memories of past abuse to bubble to the surface. During the 1980's, as schoolbooks were revised, there was a growing realization of the pain inflicted on the Chinese at the hands of the Japanese invaders. On the political level, there was less reason for the PRC leadership to suppress debate on issues that were sensitive to neighbouring countries. In the late 1980's the pressure to maintain a strategic détente with the West (a category that included Japan) lessened, removing one of the most pressing reasons to maintain good relations with Japan. Beijing adopted what was termed an “independent foreign policy” (He 2007b: 55). As the 1990's wore on, the relationship between Japan and China gradually went from one in which China needed Japanese capital and technology to one in which Japan is increasingly dependent on China. As such, Chinese nationalists can allow themselves the luxury of bashing Japan over the history issue. These developments removed much of the incentives for the CCP to suppress memories which could upset the Sino-Japanese relationship.

Gries devotes some space to the issue of emotion vs. instrumentalism in nationalism. Liberals in Europe and the US have long used China as the ultimate “Other”, the perfect foil against which they could erect their own ideals of governance. China and the Chinese state was seen as cruel and controlling of its population, unlike the liberal ideal of the rational minimalist state. Gries mentions Montesquieu as an example of Europeans using China as the “Other” against which they can measure Europeans (2004: 118). This phenomena is not restricted to Europe and the US, as Chinese writers use both the US and Japan as their “Other”. Gries argues that Japan is a better fit as the “Other” for Chinese nationalists, as the US is too different ethnically and culturally for many Chinese to identify with. Japan, with its (relatively) recent invasion of China is a good fit as the “Other”: the fact that Japan and China are similar culturally further intensifies the sting of occupation by someone so similar to one self.

Gries' concept of “face” is a zero-sum game (2004:63), like my conception of nationalism: the gain of one nation is the loss of another. Gries point out that “Both reason and passion are intimately intertwined in nationalist politics.”(2004:89), and both need to be taken into account if one wants a full picture of nationalism. Nationalism in contemporary China is not simply the result of CCP propaganda. Rather, it is the result of a bargaining process both domestically, between state and society as well as on the international stage, between nations.
History and Nationalism

“Hvad som i et Land er Sandhed er i et andet Land Løgn”

(“Truth in one country, is a Lie in another”)

Ludvig Holberg (1744: 220)

History, or what one might broadly refer to as historiography, informs contemporary nationalists in all nations. History is however never quite as objective as one could want. History as societal remembrance, is the issue. History can be made the servant of political needs, used to justify policies and to shore up support for a politician or regime. History is not just how domestic audiences remember the past, it is also how the outside world remembers previous encounters. Prominent is the “history issue” between China and Japan, where the two sides have radically different interpretations of past interactions. He (2007a;2007b) shows how elites make myths about the nation on the basis of historical events. These myths are used by political elites to increase domestic political legitimacy. Lind (2008) focuses on apologies, and the lack thereof. The (perceived) lack of apologies for Japanese aggression has poisoned the bilateral relationship, making China suspicious of Japanese intentions.

Elite myth making

He Yinan (2007a; 2007b) argues that elite mythmaking is an important factor in the rise of Chinese nationalism. Historical memory, and the ways that this memory is built, affects nationalism. She looks at Chinese nationalism from this perspective, arguing convincingly that nationalism in China is a product of what she calls national myths spread by the CCP leadership in an effort to shore up their legitimacy. These myths are increasingly taking on a life of their own, making it difficult for the CCP to control the myths they have created. She defines national myths as “[...] fanciful stories about the origins, identities and purposes of a nation, [constituting] an integral part of the ideological foundation for national identity and nationalism”(2007b: 44). As these myths are “fanciful stories”, they are not always (or perhaps rarely) entirely truthful. Nevertheless, they must have some resonance with the population if they are to be successful myths: they must be believable (He 2007b: 44). Most national elites make national myths, emphasizing the virtues of their nation and scapegoating other nations. Much of this myth making is done using history and manipulating

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2 I adopt a different definition of myths as “[..] assertions that would lose credibility if their claim to a basis in fact or logic were exposed to rigorous, disinterested public evaluation.” (Snyder and Ballentine 1996: 10).
how the population remembers the past. These myths will tend to be self-serving, showing the nation in a favourable light. When elites feel threatened at home, they may use history to boost nationalism, thereby increasing the legitimacy of the regime in the eyes of the population.

Not all national myths are elite driven or partially divorced from reality, but these have the greatest political potential, as they serve a political purpose and are malleable. This is why these myths can explain why nationalist sentiments rise at times, and why elites may gain by promoting them. He Yinan focuses on three main groups of myths: i) self-glorifying myths, myths that are intended to endow the nation with moral superiority by focusing on the nation's past suffering at the hands of others or by making exaggerated claims about national virtue, ii) self-whitewashing myths, denying and rationalizing past transgressions against others, and iii) other-maligning myths, myths that paint other nations as evil or culpable (He 2007b: 45). These have all been used by elites in China to boost nationalism. He Yinan describes the “myth of the military clique” as one instance of elite myth making. This myth, which was widespread in Japan as well as China, essentially placed the blame for the war with the Japanese military, white-washing the complicity of other Japanese war time actors, such as the emperor, the zaibatsu, civilian politicians and bureaucrats in the process (He 2007a: 5). For post-war China, the myth had obvious political appeals: Japan as a nation had not attacked the Chinese nation. Rather, the blame should be placed with the military clique. In other words, the war should be understood in terms of class, not nationality.

He Yinan argues that these historical myths can inspire actions that can spill into the foreign policy area, influencing policy. She points to the trade friction in the late 1980's as one example: here students launched boycott campaigns against Japanese products. The Chinese government quickly realized that this could turn into an anti-authoritarian movement and had to co-opt the movement while hardening their position in negotiations with the Japanese over the trade issue (He 2007a: 11). This student movement also lead to Deng Xiaoping bringing up the lack of Japanese war reparation, the first time this was brought up in economic negotiations (He 2007a: 12).

If myths can influence the national discourse and even foreign policy, this has obvious implications for a country such as China, where policy is not subject to democratic institutions. As such, nationalism provides a form of legitimacy for the regime. As China is not a democracy, nationalism provides a means for the population to voice their opinion on policy issues. “The existence of a nation […] is an everyday plebiscite” (Renan [1882] 1994:17), and nationalism confers legitimacy only if elites are able to make appeals to the nation. If the elites fail to make an

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3 It should be noted that Japan gave China a low interest loan when the two countries normalized relations. Lind claims that this was interpreted by many on both sides to be a form of reparations. China also waived any further reparation claims (2008: 161).
appropriate appeal to nationalist sentiments in such a setting, their prestige and legitimacy will suffer. In contemporary China nationalism provides a language in which intellectuals and others can formulate policy demands, with relatively little fear of reprisals from the government. The government can ill afford to censor nationalists, for fear of ruining their own credentials as guardians of the nation. Nationalism becomes a bargaining game in which different actors (the government, nationalist activists and the media) each compete to outbid the others.

Nationalism and Remembrance

Why is the history issue so problematic for Japan and her neighbours, while Germany has managed to patch up her relationship with her World War 2 victims? Lind (2008) argues that remembrance plays an important part in how nations reconcile after war. Unapologetic remembrance (“i.e. forgetting, denying, or glorifying past atrocities”) will lead to elevated threat perception and will hinder the development of a normal relationship (2008: 9). Apologetic remembrance can serves as a signal of a nation's repentance, and more importantly, of its current intentions. Apologies can improve the relationship between former adversaries if done correctly. If an apology produces a backlash from domestic audiences, then the apology could have the opposite effect (increasing antagonism, rather than reducing it).

Remembrance (both apologetic and unapologetic) can usefully be divided into official and societal remembrance. Official remembrance includes statements by leaders, legal trials against suspects accused of war crimes, commemoration (museums, monuments, etc.) and education (Lind 2008: 14p.). Societal remembrance includes mainstream opinion leaders and public intellectuals, but exclude “fringe” opinion (such as anarchist and neo-nazi groups) (Lind 2008: 16).

Why should apologetic remembrance improve relations? Lind considers apologies to be a form of “costly signal”. Much literature on signalling focuses on material capabilities, and how countries can signal their pacific intentions by, for example, reducing their material capabilities for warfare. Lind argues that ideas can also be used for signalling intentions; remembering past violence and apologising for it, makes it harder to mobilise domestic audiences for war (2008: 11). If a nation and its leaders remember the past and offers contrition for past actions, then it would seem likely that mobilising the population for similar acts as those apologised for would be difficult.

If this mechanism holds (apologetic remembrance makes it harder to mobilise for war) then apologies should be considered a costly signal. This mechanism hinges on two assumptions. First
that domestic public perception can change. In other words, even if a population was willing to go
to war in the past, this does not have to be so today. The more institutionalized the apologetic
remembrance, and the more genuine it seems, the more likely it is that the apology will change the
victim's perception of the aggressor.

Second, it assumes that this process of changing public opinion takes time. If it can be done
overnight, then it can be undone in much the same time, and is thus not a costly signal. Lind argues
that apologies are costly signals, and that shaping public opinion takes time. Furthermore, once an
apologetic attitude towards past aggression and victims has been established, nationalists elites
wanting to changes public opinion will meet resistance from other elites (the media, academics and
others) (Lind 2008: 11).

If apologies can signal the pacific intentions of a nation and improve relations, why are we
not seeing more apologies being issued? One reason is of course that the leaders do not feel
remorse: they do not feel like they have anything to apologise for. When an apology is issued, it is
more likely that the politician is motivated by policy concerns, and not emotional or ethical
evaluations. Another reason is that there is always the danger of a nationalist backlash. If a nation's
leaders apologises to other countries, then there is always the chance that his/her own population
will disagree. Leaders who send signals that their constituents disagree with, have two problems on
their hands. The first is of course their own political future (which may be short lived if the
nationalist backlash is powerful).

The second is that the backlash may have the opposite effect of the apology. The apology
may be perceived as not coming from the nation, but rather be the opinion of a narrow political
interest, in which case the recipient may fear that the next government will not see the past in the
same way. A leader's apology is of little value if the nation he/she is representing disagrees.

If apologies are to improve relations, they must seem genuine, not produce a backlash that
threatens the apologetic consensus, and be properly communicated. An apology is of little value if it
is not received by the victim. One example of an apology not having the desired effect was the 1999
US bombing of the Chinese Embassy in Belgrade. In this instance, the American apology was seen
as insincere, and was not communicated to the Chinese public until the 11th of May (the bombing
occurred on the 8th of May). President Clinton's calls to President Jiang were rebuffed (Gries 2004:
17). Apologies must be communicated to change perceptions.

The Chinese perception of Japanese attempts at apologising for the war, has been influenced
by nationalist backlashes in Japan. One example is the 1995 Diet resolution, a product of much
domestic debate in Japan. Over half the members of the Diet boycotted the Diet session that approved the resolution, and the resolution was never approved by the Upper House (Lind 2008: 76). When a country attempts to apologise for past actions, a backlash will signal that there are groups in the country which disagree with the apology. The apology will not be perceived as coming from the nation, but rather from the leadership, something which cheapens the signal, demoting it from its status as a costly signal. For the backlash to have a demoting effect on the signal, it must be widespread, coming from different parts of society and not just reflect the opinions of fringe groups.

For apologetic remembrance to serve as a costly signal of pacific intentions, it must be communicated to the recipient of the apology and it must not create a backlash from domestic audiences. These conditions are often difficult to fulfil, as few nations are able to face their past and admit the suffering their nation has inflicted upon others. There is often a divide between the foreign policy goals of leaders and the historical memories of their constituencies. This create the potential for backlash when leaders offer apologies, as in the Japanese case.
Method

Let me at the outset of this chapter clearly state both my research question, as well as the two hypotheses I will test. The question this thesis attempts to answer is how does the Chinese state's retreat from the marketplace of ideas affect nationalism? My primary hypothesis is nationalism will increase as the Chinese state retreats from the marketplace of ideas. A corollary of this hypothesis is that a freer marketplace of ideas with increasing nationalism provides the CCP with strong incentives to defend its nationalist credentials, even at the expense of other interests.

My competing hypothesis is nationalism will decrease as the Chinese state retreats from the marketplace of ideas. A corollary of this hypothesis is that a freer marketplace of ideas does not provide the CCP with strong incentives to defend its nationalist credential, allowing the CCP to largely ignore nationalist demands.

Any research project worth its salt needs a clear method to investigate the relationship that the researcher is interested in. This involves identifying the variables of interest and operationalize these, hypothesizing the causal relationship between them, and setting down rules that guide the empirical investigation. This chapter will address these issues. The variables I am interested in have already been identified: the dependent variable is rising nationalism in China, and the independent variable is declining state control over the marketplace of ideas.

The hypothesized relationship, according to the theory used in this paper, is one in which nationalism rises as state control over the marketplace of ideas loosens. This is to many a counter-intuitive relationship, and I will explain the theoretical relationship in the theory chapter. While these concepts are not hard to grasp at a theoretical level, it is less straightforward to operationalize them in a way which allows for empirical testing of the relationship. This is the task I now turn to.

Nationalism

Nationalism is a notoriously difficult, and perhaps even fuzzy, concept. There are two main problems with defining nationalism. First there is the ontological question of just what nationalism is. This question is the subject of the next chapter. The second problem, which is related to the former, is the methodological question: how does one measure nationalism? I will first briefly address the former question, before going on the methodological issues surrounding measurement of nationalism.

Nationalism, following Gellner ([1983] 2006: 1), is defined in this thesis as “[...] primarily a
political principle, which holds that the political and national unit should be congruent”. Nationalist sentiments and actions grows out of the wish to see this principle respected. Snyder (2000:23) defines nationalism as “[...]the doctrine that a people who see themselves as distinct [...] should rule themselves in a political system that expresses and protects those distinctive characteristics”. This is similar to Gellner's definition (although Snyder goes one step further when he says the political system should express and protect the national characteristics). This thesis relies on Gellner's definition of nationalism, and I return to the discussion of nationalism as a concept later in the thesis.

Much of the problem with measuring nationalism lies in the definitional problems that surrounds it and the different meaning people invest in the concept. Simply put, different people have different ideas about what nationalism is, while others might hesitate to self-identify as such in e.g. a survey. Survey questions do not ask respondents if they are nationalist for exactly this reason: different people will have different ideas about what a nationalist is, and might therefore not self-identify as such (even if they, by “objective” external criteria would be characterized as such).

Nationalism will therefore have to be measured by some external criteria, taking the decision out of the hands of respondents to surveys and the like. I propose that nationalism be measured by attempts to uphold the principle of nationalism, as defined by Gellner. Nationalism can be measured as actions or as sentiments, and I assume that the two are connected (nationalist sentiments lead to nationalist actions; the violation/fulfilment of the nationalist principle causes anger/satisfaction). Nationalism as sentiment is perhaps what most people think of when thinking of nationalism: nationalism as sentiment, feeling or opinion. Gellner's definition of nationalist sentiments is much used in the literature: “Nationalist sentiment is the feeling of anger aroused by the violation of the principle [the political and national unit should be congruent], or the feeling of satisfaction aroused by its fulfillment. A nationalist movement is one actuated by a sentiment of this kind.” ([1983] 2006:1, italics in the original).

Nationalism as action (or nationalistic action: the two terms are used interchangeably in this thesis) are actions motivated by nationalistic sentiments. These two sides of the phenomenon must by their very nature be measured in different ways. Snyder (2000:23) similarly divides nationalism in to the doctrine of nationalism and nationalist conflict, with nationalist conflict defined as: “[...] organized, large-scale violence motivated or justified by a nationalist doctrine”. Again, Gellner makes a similar point when he points out that nationalism must by its very nature be about zero-sum gains. As the space available to nations (the surface of the Earth) is finite, and the potential number of nations is larger than the current number of real, existing nations, conflict seems unavoidable. I
do not agree that nationalist conflict must escalate to violence narrowly defined. Conflict must be understood not only as “large-scale violence” but also as demonstrations, diplomatic condemnations etc. Words matter, and one must pay attention to the events that precede violence as well as their context. An anti-Japan demonstration could be an expression of Chinese nationalism, but it does not have to involve violence. While still a conflict (otherwise, why demonstrate?), it could remain peaceful.

Nationalistic actions are equally important for understanding nationalism, if one accepts the relationship between nationalistic sentiments and nationalistic actions. Nationalism as action is a measurement of how willing people are to sacrifice for the sake of nationalist sentiments. This can range from no sacrifice at all (a purely latent nationalism) to an extreme willingness to sacrifice for the national community (willing to die for the nation). Nationalist actions are in some ways a better indicator of nationalism than are sentiments: nationalist actions show a commitment that extends beyond opinion. Nationalist action are also interesting for policy: if nationalism remains as latent sentiment, then nationalism is no threat to the regime or the outside world. Any sentiment or idea must extend beyond opinion and produce action to be a force of change.

This thesis focuses on nationalist actions to measure nationalism in China. Demonstrations, books, films, internet activities etc. are all potentially nationalist actions, expressing underlying nationalist sentiments. The actions selected will be the ones that are clearly nationalistic (that is, they are a response to some perceived violation of the nationalist principle defined above), and not demonstrations aimed at some other grievance. Consider demonstrations in China. According to China Daily (a government owned paper) there were 10 000 “mass incidents” (the official term used to describe demonstrations) in China in 1995. That number had risen to 60 000 in 2005 (China Daily 31.03.2010). Most of these are not nationalistic, but directed at some local grievance, such as corrupt local cadres or conflicts over land development. Nationalistic actions are usually actions attempting to achieve some goal (in the case of Chinese nationalism this goal is usually to influence foreign or domestic policy or to protest the actions of a foreign government). It could be violent, as Snyder points out (2000:23), but it need not be.

This paper assumes that nationalist sentiments and nationalist actions are correlated: as nationalist sentiments rise, nationalist actions are assumed to follow suit. At this point it could be objected that short-term external stimuli (e.g. territorial disputes) also leads to nationalist actions. The problem with this, is that these occurrences are so frequent (almost constant) that they offer little variance against which to measure the variance in nationalism. Changes in sentiment on the other hand, takes time to develop and should not be understood in terms of days or weeks, but in
years. Therefore it makes sense to compare similar events separated by a long period of time to observe how sentiment has changed. Sentiment and action are not just correlated, there is also a causal link: nationalistic sentiments are assumed to cause nationalist actions. Nationalist actions are the observable implications of nationalist sentiments, and this thesis focuses on nationalist actions for this reason. This makes it very important to avoid including non-nationalistic actions in the analysis. To determine this, I will look at the context in which the action is occurring. The context, as well as the contents of the action will determine if the action should be understood as nationalist. Demonstrations, books and movies will often allow us to determine what the motive behind the action is, either explicitly as when demonstrations carry slogans such as “Defend the Diaoyu Islands” or “Fight Japan” or through the context in which they appear.

The above is important for the internal consistency or validity of the project. If these assumptions do not hold (i.e. nationalistic actions do not reflect nationalistic sentiments but are done for some other purpose) then the method is flawed. I would not be measuring nationalism when looking at nationalistic demonstrations for example, but some other political sentiment. This is important in the Chinese context. It has been suggested that Chinese nationalistic demonstrations (and sentiments) are either a creation of the Party, or that these demonstrations are an Aesopian critique of Party rule. While this is an unresolved issue, this thesis treats nationalistic actions as genuine expressions of nationalist sentiments, and the focus will be on nationalist actions. The advantage of focusing on nationalism as action is that it is easier to observe than nationalist sentiment. Process-tracing, with its data richness and the “thickness” of its description (Bennett and Elman 2006: 470), helps to alleviate the potential for confusing nationalist actions and actions motivated by some other motive.

At the outset of this chapter I pointed out some of the difficulties with operationalizing nationalism in general. A further problem when defining nationalism in China is minority nationalities and minority nationalism. This thesis deals with what one might call state-centric nationalism, not minority/ethnic nationalism. Demonstrations against the state, against the Han majority or ethnic minorities are excluded from my analysis.

State Control and the Marketplace of Ideas

My primary hypothesis sees declining state control over the market place of ideas as an important factor in explaining increasing nationalism in China. Therefore it becomes important to operationalize the market place of ideas, as well as operationalize what I mean with declining state

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4 For a discussion of these views of Chinese nationalism see Gries 2004 pp.1.
5 For a exploration of Muslim (in particular Hui) identity and ethnic nationalism in the PRC see Gladney 1998.
control over the market place of ideas.

The marketplace of ideas and the need to keep this free (meaning unregulated) is a staple of liberal ideology, going back to John Milton (1608-1674) and John Stuart Mill (1806-1873). I understand the marketplace of ideas to be a broad category: the press, television, the internet and so on. This follow Snyder and Ballentine's definition of the marketplace of ideas as an arena where”[...] governmental and non-governmental elites advance arguments about the benefits of policies and commit themselves to these policies in order to gain political support.[...]” and where consumers “[...] decide whom to support based in part on the persuasiveness of the arguments of elite entrepreneurs and on the credibility of the elites' commitments to implement desired policies.”(1996: 12). The middle-men in the marketplace of ideas, such as journalists and policy experts and media institutions such as newspapers, provide consumers with the arguments of political elites, as well as scrutinizing the credibility of these arguments (Snyder and Ballentine 1996: 12). Ideas in this marketplace, function as advertisement used by political elites to attract support.

Snyder and Ballentine (1996: 13) argue that the market place of ideas should be understood much the same way we understand markets in general. Analyzing the market place of ideas in terms of supply and demand as well as regulation provides a good framework for analyzing how ideas in general and nationalist ideas in particular, compete in the market place of ideas.

Demand in the marketplace of ideas refers to the preferences of the consumers. Are the consumers in a given marketplace of ideas inclined towards some type of ideas (feel good narratives, narratives that emphasize past sufferings, democratic ideals etc.). This is difficult to measure, but consumption in (sub) markets with low entry costs such as the internet will provide some data on this. Book sales and other media consumption patterns also provide data on demand in the Chinese marketplace of ideas. In much the same way I will measure nationalism as sentiment, I will look at nationalistic attitudes found in surveys to estimate demand for nationalistic ideas in the marketplace of ideas. Internet connectivity allows consumers access to a less regulated sub marketplace of ideas, where entry costs (for both consumers and suppliers) are lower than in more traditional sectors of the marketplace of ideas. Market segmentation is also a powerful indicator of how free a given market is. Market segmentation in the marketplace of ideas occurs when consumers consume ideas exclusively from their own market segment (liberals only read the liberal press, nationalist listen exclusively to radio promoting nationalist ideas etc.). A highly segmented market is more vulnerable to radical ideas, than is a less segmented market. Furthermore, demand is not a static property of the market. Demand can be shaped, as was done in China through the.
patriotic education campaign of the early 1990's.

Supply refers to the policies advanced by elites and the ideas used to attract support for these policies. This includes both governmental and non-governmental elites, as well as individuals and groups. Supply can be measured in a number of ways. The most obvious one is to look at barriers to entry, that is how difficult or costly it is to enter the marketplace of ideas as a supplier. Another indicator is the presence or absence of media monopolies. How easy is it to enter the marketplace of ideas in China? Barriers to entry can be measured by looking at the number of new publications entering the market (newspapers, magazines etc.). More important is the way in which elites can exploit their positions to win support in the marketplace of ideas. One instance of this that will be addressed in this thesis is the changing view of the Japanese invasion (from the “myth of the military clique” narrative, to a narrative more focused on Chinese suffering and the Japanese people's war guilt (He 2007a)) and whether this change was driven by domestic political elites in China.

The third aspect to look at is regulation. All existing markets have some form of regulation in place, and the marketplace of ideas is no different in this respect. Regulation can take different forms, but the most prominent in the Chinese case, and the one I will focus on, is political censorship. Censorship allows governmental elites to shape discourse, and to a large extent allow or ban ideas from entering the marketplace of ideas, thereby influencing the supply of ideas available to the Chinese people. On the other hand, the lifting of political censorship allows more suppliers to bring their ideas to marketplace.

I expect these aspects of the marketplace of ideas will overlap in certain cases. One example would be the Chinese diaspora, in particular Chinese living in Hong Kong and Taiwan. It would be tempting to use these as a control group: Hong Kong and Taiwan is home to a Chinese population. The problem with using these populations as control groups is the fact that they are not subject to the same censorship regime as are Mainland Chinese. Chinese nationalism exists in these locations too, suggesting that supply, demand and regulation all play a part in the emergence of nationalism.

Mill's method of difference and process-tracing

To show the how my two variables interact, I will compare China 1990-1999 and China 2000-2010. As I will show in later chapters, these provide good cases for showing the causal relationship between the variables. To do this, I will use Mill's Method of Difference as my comparative
framework, as well as process-tracing. The comparative method has a few distinctive features which separate it from other methods in the social sciences. In the following I will first discuss some of the criticism levied at the comparative method and process-tracing, before going on to show its merits compared to other tools in the social scientific toolbox.

The comparative method is often rated lowest of the three primary ways of testing hypotheses (the other two being experiments (rarely used in social science) and large-n studies) in the social sciences (Van Evera 1997: 50p.). Comparative research designs, such as the present, “[...] unabashedly select their cases on the dependent variable” (Moses and Knutsen (2007): 95). In other words, cases are not randomly selected, but rather selected precisely because of the presence and absence of the dependent variable. China in the period 1990-1999 and China 2000-2010 are selected because of the low presence of nationalism (my dependent variable) in the first period and the higher presence in the second. There was also a rise in media use, especially internet use, a type of media of particular interest in this thesis because of its lower level of government censorship, its (relative) low cost of entry (consumers can also be producers) and the instantaneous nature of communication, all factors that foster national consciousness.

The danger associated with selecting cases on the dependent variable is sampling bias: that the researcher selects only those cases that confirm his/her “preferred” theory, cases that support the researcher's own bias. Selecting cases in this way in a statistical study would be unacceptable. In a comparative study case selection is used as a way to control for the effects of other variables: when using Mill's method of difference the researcher must find two cases that are alike in all respects, except one (the independent variable). This is an aspiration towards the logic of the controlled laboratory experiment. The ever present danger is of course that the researcher looks only for cases confirming his/her preferences. Another problem is the degree to which comparative studies can help us in making general theoretical claims (the problem of over-determination): few observations make it difficult to make general claims about the phenomena under study. These are two of the more common charges levelled at the comparative method.

Both these criticisms take as their starting point the logic of large-N studies, studies where increasing the number of data points at the expense of data richness is an acceptable research strategy. This logic also suffers deficiencies. Large-N studies can tell us much about correlations, but they tell us little about the causal relationship. Just because event A preceded event B does not mean that A caused B. To make any theoretical claims about the relationship, a hypothesis is needed. And a good way to test a hypothesized causal relationship is to use process-tracing to construct an empirical narrative of events, showing how each step in the hypothesized chain of
events came about. “The process-tracing method attempts to identify the intervening causal process – the causal chain and causal mechanism – between an independent variable (or variables) and the outcome of the dependent variable” (George and Bennett 2005: 206). Process-tracing and other research methods are not competitive, but rather complementary (George and Bennett 2005: 208). The advantage of process-tracing is that it allows the researcher to test causal claims made by a theory in a very specific way. “Overall, large-n studies tell us more about whether hypotheses hold than why they hold. Case studies say more about why they hold” (Van Evera 1997: 55, my emphasis). The focus in this thesis is to test the hypothesized causal relationship between waning state control over the marketplace of ideas and nationalism in China, making a comparative research design augmented by process-tracing an appropriate choice.

In addition to prudently choosing methods, the problem of sampling bias and over-determination can be mitigated by theory: just as one cannot make any claims about causality on the basis of correlation alone, one cannot dismiss (or endorse) comparative studies on the basis of their selecting cases on the dependent variable. Theory must guide both statistical analysis (to make observations on causality) and comparative studies such as this (to avoid sampling bias and over-determination). Knutsen and Moses (2007: 114) suggest that the researcher use theory to overcome both the problem of sampling bias and over-determination.

In addition to theory, I will use process-tracing to show the causal relationship between independent variables and dependent variable. “[...] process-tracing [...] explores the chain of events or the decision-making process by which initial case conditions are translated into case outcomes” (Van Evera 1997: 64). This allows the researcher to carefully study how events unfold, tracing the causal relationship between independent and dependent variable (or the absence of such a causal relationship). Comparative studies of a small number of cases is often criticized for not being theoretically generalizable. This criticism is mitigated by process-tracing, which force the researcher to make unique predictions about the process under investigation. Process-tracing generates a number of observations, and these must be linked in particular ways predicted by theory to constitute an explanation for the case under investigation (George and Bennett 2005: 207). If the hypothesized relationship fails to materialize, this is a serious challenge to the theory itself. Process-tracing is especially well-suited to test theories, and used together with Mill’s method of difference, process-tracing offers a way of assessing hypothesized causal relationships (George and Bennett 2005: 215).
The Nation and Nationalism

What is the nation? What is nationalism? Before attempting to answer questions about nationalism in China, a clear vocabulary is needed, and that is the purpose of this chapter. I will first discuss two seminal works on nationalism (Anderson [1983] 2006 and Gellner [1983] 2006), before turning to the literature on Chinese nationalism. I then outline the theory used in this thesis for explaining nationalism in China.

It has become almost customary to start a discussion on the nature of nationalism by pointing out the various definitions found in the classics of the subject (Hutchinson and Smith 1994: 3p.). Anderson and Gellner offer two of the most cited definitions of the nation and nationalism. Both are primarily concerned with explaining the emergence of the idea of the nation (and less with explaining particular expressions or cases of nationalism). Both agree that there is something definite about the nation: once it has emerged within a society it replaces the previous modes of understanding man's place within the world. Once the nation has entered the stage, there can be no turning back (Anderson [1983] 2006: 3; Gellner [1983] 2006: 6).

This chapter defines the nation, as Anderson does, as an: imagined political community, and one that is imagined as both limited and sovereign ([1983] 2006: 6). I borrow Gellner's definition of nationalism: Nationalism is primarily a political principle, which holds that the political and the national unit should be congruent ([1983] 2006: 1]).

Gellner and Anderson are in general agreement about the historical period that fosters nationalism (the late 1700's), but they differ in what produces nationalism, and why. What Gellner calls industrial society demands a “mobile, literate, culturally standardized, interchangeable population”([1983] 2006: 44) that can work the factories. This population is drawn from the countryside, uprooting them and making them yearn for membership in a nation-state with all the benefits this offers (education, social services, cultural membership etc.) ([1983] 2006: 45). Nationalism then, provides a new social glue in the face of the atomizing forces of modernity. The existence of this group of people leads to the nation, and the sense of nationalism.

This chapter first defines the nation as a concept and looks at how the nation emerged as a political entity on the historical scene. Then follows a discussion of print-capitalism, the causal factor suggested by Anderson to explain the emergence of the nation. Then nationalism is defined, followed by a discussion of Gellner's explanation of the appeal of nationalism. The chapter ends with a discussion of the contemporary relevance of Anderson's and Gellner's explanations.
The nation

“ [...] The nation [...] is an imagined political community – and imagined as both inherently limited and sovereign.” (Anderson [1983] 2006: 5)

What is the nation, this entity the nationalist defends so passionately? To understand the nation and nationalism, it may be useful to start with Anderson's ([1983] 2006: 5) three paradoxes: 1: “The objective modernity of the nations to the historian's eye vs. their subjective antiquity in the eyes of nationalists” 2: “The formal universality of nationality as a socio-cultural concept [...] vs. the irremediable particularity of its concrete manifestations” and 3: “The 'political' power of nationalisms vs. their philosophical poverty and even incoherence”.

The first paradox deals with when the nation emerged as a community. Anderson notes President Sukarno and his sincerity in describing the 350 years of colonialism that “his” Indonesia endured, even though the nation Indonesia did not emerge until the twentieth-century ([1983] 2006: 11, footnote 4). This is by no means unique to Sukarno and Indonesia. Chinese nationalists make similar claims about their own national community, describing the period from 1839 (the start of the first Opium War) to 1949 as the Century of Humiliation. The humiliation described is understood to be of Chinese. This in itself is not problematic, until one recalls that at the beginning of this period, the Chinese nation-state (if the nation-state is taken as a modern phenomena) had not yet been formed: It was the Manchu Qing Dynasty that was defeated in the opium wars, not the Republic that succeeded the Qing, nor the People's Republic of 1949. Chinese nationalists, like all nationalists, place the origins of their nation in the distant, pre-modern, and more importantly, pre-national past, and not in the modern world where it properly belongs. The reason for this need to place the origins of the nation in the distant past, is because modern man finds it difficult, if not impossible to think of life without the nation, the subject of the second paradox. Both Anderson and Gellner ([1983] 2006) agree that the nation is modern.

Anderson's second paradox brings to the foreground another of nationalisms peculiar attributes as a political -ism: Everyone has a nationality (or is at least expected to have one). To be without national membership, much like being without a gender, is hard to imagine in the modern

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6 There is some dispute as to when the Century of Humiliation ended, variously dated at 1945 (Chinese participation in the victory against Japan), 1949 (victory over the Nationalist party and the founding of the PRC), or early 1950's (participation and perceived victory in the Korean War). A fourth view is not satisfied with any of these victories, as Taiwan has still not been re-captured (Gries 2005: 56p.).

7 Due to space considerations, I do not dwell on the issue of precisely when the Chinese nation came into being. Zhao (2004: 37) argues that China became a nation-state in the late nineteenth century with “[...] the transformation from a universal but loosely connected empire into a particularistic but centrally governed nation-state”. As he points out, there is still debate about this, with some Chinese academics tracing the Chinese nation back to the first Chinese dynasties. This view is shared by some Chinese nationalists (Zhao 2004: 39).
world. Anderson's (and Gellner's) point is that this was not the state of affairs until the modern era. Membership in the nation has come to be seen as natural and inevitable. To modern man being without a nation is like missing a nose or other appendage; the nation is seen as part of our natural identity and the loss of one's nationality would be a disaster (Gellner [1983] 2006: 6). The imagery can be extended to the relationship between the nation and the state. The two should go together, and the separation of the two constitute a tragedy (Gellner [1983] 2006: 6).

The point that both authors are making, is that in the modern world the nation is seen as natural, but this was not always so. Before what one may refer to as the modern era (Gellner calls this the agrarian society) the primary political community was the one shared with those one had direct contact with, such as family and village. It is only in the modern world that the larger community known as the central socio-political community, and one which demands loyalty of its citizens (rather than the monarch demanding its subjects) loyalty. The loyalty felt towards the nation is impersonal, unlike that in a monarchic setting. Nationalism emerges at a time when loyalty towards monarch and the religious worldview is in decline. The reasons given for this decline is a point of difference between Anderson and Gellner: Anderson argues that print-capitalism brought about a new, national consciousness, while Gellner argues that the move from agrarian society and the social changes this brought about was the catalyst for the emergence of the nation and nationalism. I will return to these below.

The third paradox, the power of nationalism in the modern world when one considers the "philosophical poverty" is puzzling indeed. Why do people sacrifice so much for so simple an idea? To solve this, Anderson suggests that nationalism has less to do with political doctrines such as liberalism or Marxism and more to do with religion or kinship ([1983] 2006: 5). Nationalism comes about at the historical point where the dynastic realm and the religious community fade as frames of reference. The religious worldview was (and indeed is) open to members not born into it: conversion is possible, and for the religious community, desirable. For the religious there is no fixed boundaries beyond which lies earthly territory not meant for conversion: in theory the whole world could be Christian, Muslim, Buddhist etc. Not so for the nationalist and his nation. Nations and nationalists will in some cases accept naturalization of foreigners, but this is an exception to the main point. National membership is, as a general rule, a birthmark.

The nation is bound by its history, and the nationalist making territorial claims beyond the current boundaries of the nation must refer to history as a basis for legitimating his claims. Nationalistic claims can, and often do, exceed what any reasonable reading of history allow them to

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8 An exception to this is perhaps the Jewish faith and people. My thanks to Paul Midford for pointing this out.
claim. But these claims are framed with references to special circumstances that often are grounded in the nationalist's view of history. History limits the nationalist only to the extent that the narrative put forward by the nationalist must conform to the rough outline of the nation's history, something that allows for much creative historiography on the part of the nationalist politician. It is important to note that Anderson stresses that nationalism was not “[…] 'produced' by the erosion of religious certainties[…] Nor […] that somehow nationalism 'supersedes' religion” ([1983] 2006:12). Nationalism, in Anderson's telling, came about not because of declining religious orders (or dynastic realms), but because of the emergence of print-capitalism.

The end of the dynastic world view came later to China than to Europe. The elites of Qing society (and earlier dynasties) held a firm belief that their civilization was at the center of the world, a conviction that survives, at least in name if not in conviction, in the contemporary Chinese name for China: Zhongguo (中国), usually translated as (the) Middle Kingdom. This had obvious implications for what we today would call foreign policy. The dynasties ruling China did not conduct foreign policy on the basis of equality. Rather, representatives of other polities were expected to pay tribute to the Emperor. In return, the tributary states were allowed to trade, and the king of the tributary state received legitimacy from his association with the Emperor (Spence 1999: 117 pp.). It should be noted that this exchange of legitimacy was two-ways: the Chinese Emperor also gained legitimacy by hosting tributary envoys in the capital and have them follow protocol. The importance of this for the Chinese side, is evident in that foreigners who did not comply with protocol would still be recorded in the Chinese protocols as having paid proper tribute (Fairbank 1968:4).

Anderson argues that the legitimacy and power of the nation state is spread evenly throughout its territory ([1983] 2006: 19). The dynastic realm is organized differently, with borders that are porous and at times overlapping with other dynastic realms. Power is stronger close to the center, and the dynastic hold over its subject weakens as the distance to the center grows. Again, pre-modern Chinese dynastic history is illustrative. The further from the Middle Kingdom the tributary state was, the further from civilization. This ranked foreigners according to the distance from the center of civilization, but also based on their cultural distance form the Middle Kingdom. Kings from pre-modern Korea where thus more civilized than were the “barbarians” of Europe, when these eventually came into contact with the Dynasty. There was no coherent national, foreign policy. As Spence (1999: 117) notes, “The Qing state had no Ministry of Foreign Affairs”. Contact with the outside world was divided between different offices (The Office of Border Affairs, The
Ministry of Rituals and the Imperial household). There was a difference between China proper and tributary states: e.g. Vietnam or other tributary states were not seen as part of China, but as distinct political entities. This is evident in the fact that the Chinese Emperor would recognize a Korean or Vietnamese King. Furthermore, the Korean, Japanese and the Vietnamese language all had a term for country (Korean: 

\[ \text{kuk} \]

[159]

Japanese: 

\[ \text{koku} \]

[231]

and Vietnamese: 

\[ \text{quoc} \]

[339] all derived from the Chinese 

\[ \text{guo} \]

(176)

(Kang 2007: 27) suggesting that these countries were understood to be separate from the country China. While Qing officials saw differences between their own polity and that of others, the idea of a international community of formally equal sovereign states was very far from their thinking.

Anderson and Gellner are in general agreement on the period which saw the emergence of the nation, but see different reasons for its emergence. In the following I will show the two mechanisms offered to explain nationalism. I start with Anderson and his print-capitalism before moving on to Gellner.

The imagined Community and Print-capitalism

The title of the book, Imagined Communities, and Anderson's definition of nationalism as an imagined community, is worth some consideration. The national community is imagined, not because it is somehow not real, but because the members in the community must imagine most of their fellow members. Nationals living in a nation of thousands (or as is often the case, millions) of compatriots cannot meet all the others, or have any other direct contact with the other members. Thus the nation is an imagined community, unlike that of pre-national communities in which members can meet other on a regular basis (the village, the family etc.). Central to the argument of a imagined nation is what Anderson calls “print-nationalism”, the concept I now turn to.

Print-capitalism is the causal variable which brings nationalism to life by allowing people to imagine the community. At the start of this chapter, I quote Anderson's definition of the nation: “[...] The nation […] is an imagined political community – and imagined as both inherently limited and sovereign.” ([1983] 2006: 5). That the nation is limited, means that no nation is imagined to (legitimately) cover the entire globe (this is unlike a religion or political philosophy). Its sovereignty refers to the normative claim nations and nationalists make that the internal life of the nation is exempt from external (or international) interference. Print-capitalism is the variable that

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9 One may object that this is not unlike most countries in the modern world: different groups, both governmental and non-governmental, will want to have a say in foreign policy. The point I am making here, is that different offices were charges with dealing with different groups of foreigners. So the Imperial household would deal with certain foreigners (Notably European missionaries), while The office of Border affairs would deal with the northern neighbors (Mongols, Manchu and Russians). There was no Foreign Ministry charged with formulating comprehensive foreign policy.
allows the imagining of the sovereign and limited nation.

Print-capitalism, the coming together of the printing press and the capitalist mode of production, is the precondition for the rise of nationalism in Anderson's theory of nationalism. The printing press makes written communication possible on a scale hitherto unimagined. Printing houses, and their books, were one of the earliest industries to feel the forces of capitalism, endlessly searching for new markets. The first market was a poor fit for a national consciousness; Europe's Latin speaking community was bilingual. Few spoke Latin as their mother tongue: it was the language of the Church, a sacred language. Once the Latin reading market in Europe had been saturated, printing houses turned to printing in the various vernacular languages.

With the rise of the vernacular market (and the decline of Latin), the European market was segmented into various natural market niches. And perhaps equally important, with the decline of Latin the Church lost much authority. The printing presses of Europe started mass producing cheap books in the vernacular, reaching new audiences outside the core of the Latin reading Church intelligentsia. Vernacular languages became increasingly crystallized in the various bureaucracies in Europe. Unlike its religious authority, Latin had little exclusionary power in politics: Latin was the language of the Church, and no secular power could lay claim to the language in the political realm. In turn this lead to the various secular powers using the vernacular in their administration. This competition accelerated the decline of the imagined community of Christendom.

The elevation of vernacular languages into the courts and the administration, elevated the status and power of these languages. Capitalism also had a part in the shaping of the languages of Europe, in that it crystallized the languages into their modern forms, further creating a sense of each nation having their own language. Anderson argues that this crystallizing came about as a result of capitalism’s want for markets. If all (spoken) dialects were to have their own print-market, this would have left capitalism with small markets indeed. Dialects were drawn towards the languages of power, eventually resulting in a split between dialects and print-languages, a split between what people say and what they write. The nation is written in the language of what Gellner calls the high cultures turned national culture, not spoken in the various distinctive dialects.

The background for the arrival of the nation onto the historical scene is similar for both Anderson and Gellner. Both describe the pre-national history in similar terms (stratified communities (high and low cultures in Gellner's vocabulary) and the overlapping loyalties produced

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10 It is interesting to note (as does Anderson) the difference between Europe and China. While Europe's political fragmentation can be seen in light of the lack of a universal administrative language, this problem was not an issue in dynastic China: Chinese characters (hanzi) provided Chinese administrators and bureaucrats with a universal language with no immediate competitor. The extent of administrative powers, and that of the written script were largely overlapping.
by dynastic and religious frames of references). I agree with Anderson's definition of the nation as a imagined community. Gellner offers a slightly different definition when he attempts to define the nation by showing how membership in the nation is defined: “1: Two men are of the same nation if and only if they share the same culture, where culture in turn means a system of ideas and signs and associations and ways of behaving and communicating.” and “2: Two men are of the same nation if and only if they recognize each other as belonging to the same nation. In other words, nations maketh man; nations are the artefacts of men's convictions and loyalties and solidarities. [...]” ([1983] 2006: 6p.) Both definitions make it clear that there is nothing eternal about the nation (even if the nationalist would like to believe otherwise), and the demarcation of each particular nation requires its members to think about whom to include in the nation. And Anderson is correct: no nation is so small that all members know all the other members. An act of imagining is required to conjure up the nation. In other word: the nation is an imagined political community, and one that is imagined as both limited and sovereign (Anderson [1983] 2006: 6).

Nationalism

“Nationalism is primarily a political principle, which holds that the political and the national unit should be congruent.” (Gellner [1983] 2006:1).

Gellner's definition of nationalism is simple and to the point. It is tempting to call it a common sense definition of nationalism: The state and the nation should cover the same area, becoming the nation-state. It also brings to the foreground one of Anderson's paradoxes: the philosophical poverty of nationalism. There is no elaborate theory underpinning nationalism. That nationalism can be defined in one sentence is testament to this point (One would be hard pressed to do the same with liberalism, Marxism etc.). Nationalism demands that this principle be fulfilled: that the political and the national unit be congruent. Nationalists then, react negatively to the violation of this principle (their nation being ruled by “foreigners”, or the threat or act of secession, etc.)11, and positively to the fulfillment of the principle (reclaiming “ancient” territory, victory over other nations). More mundane events, such as sporting events, can also inflame nationalist passions.

Nationalism is a political principle, and it is a theory of political legitimacy. It provides a answer to what is legitimate and what should be the focus of politics. The state is the vessel for politics, and the nation should be the compass. The nation needs the state, and the state needs the nation. The separation of the two constitute a tragedy to the nationalist (Gellner ([1983] 2006: 6).

11 This does of course not mean that nationalists will necessarily object to other nations being ruled by foreigners. It may well be, as Gellner reminds us, that Kant was right in that making exceptions for oneself is the central human weakness (Gellner [1983] 2006: 2)
As noted, nationalism is philosophically poor: it demands the fulfillment of its principle, and nothing more.

If nationalism is so simple and demands so little, why is it seen as such a problem? Why is it that nationalism often leads to conflict (or at least many of us expect it to)? The answer may appear simple or obvious, but it must be stated clearly: there are simply too many potential nations, and not enough space on the globe. If the nationalist cannot share the national area with foreigners (or more precisely, two nations cannot share the same geographical space), then the fulfillment of one nationalist sentiments will be the frustration of another. This is an important point, and for Gellner nationalism represents a problem. Nationalism is a problem because it must be understood as a zero-sum game, where the gain of one nation is the loss of another.

Both Gellner and Anderson places nationalism in the modern era, but their focus is different. Anderson, as I have shown, focuses on the decline of a previous mode of understanding the world and its replacement by nationalism. The agent for this change is print-capitalism. Gellner on the other hand divides human history into three broad eras: hunter-gather, agrarian and industrial society. Nationalism (and the nation) does not appear until the last of these eras, industrial society. The agent of change in Gellner's frameworks is a bit more complex than is Anderson's. As human society progresses (moving from hunter-gather to agrarian and on to industrial society), there is a general movement towards universal literacy, and towards (occupational) mobility. As societies become increasingly complex, a higher degree of specialization is needed. Whereas in a hunter-gather society (in which no one could read) there was little need for specialization, the need increases in agrarian society (priests and a few other select groups need to read and write), and finally, in industrial society all must be able to read.

This universal literacy makes it fairly easy to retrain a person from one occupation to another. Increased education leads to increased occupational mobility. In agrarian society, specialists had to spend years training before becoming skilled. Education was specialized from the start. By contrast, industrial society educates its population in being able to attain new skills: the first part of the education in general (literacy, numeracy) and only at a higher level of education does specialization become important.

Gellner agrees with Anderson's broad point that nationalism and the nation (and the state) came about because of historical change, the emergence of modernity. But Gellner does not point to print-capitalism or some similar agent of change to explain nationalism. For Gellner, nationalism comes about because of the demands placed on the population in a modern society, and the fact that development does not spread evenly. To live in modern society is to be interchangeable, or more to the point, being literate in the language of the community one lives in. There are specialists in
modern society to be sure, but specialist occupations are not hereditary: they are in theory open to all. Division of labor (and by extension specialization) is a requirement in modern society, but it is based on merit, not on custom or kinship.

Agrarian society is characterized by heterogeneous culture, a divide between high culture and folk culture. High culture is maintained by clergy using a written script, and folk culture is oral. The distinguishing mark between the two cultures is literacy (or the lack thereof). Members of folk culture are bound to their localities by kinship and by their occupation. Education takes place in the family and in the village. Very few are sent away to receive education, and those who are will usually be educated into the high culture (as clergy, accountants etc.). As long as society remains agrarian, there is little need for formal education outside the village.

With education spreading and making the population more mobile, vertical communication, that is communication between high culture and folk culture, becomes possible. More precisely, with a more mobile population, communication no longer needs to be vertical, as there is no hard line separating high and folk culture. High culture has become national culture and to the degree folk culture exists, it is marginalized as citizens increasingly identify with the national high culture.

Modern society must have highly mobile workers, and thrives on specialization. Education in modern society however, is not specialized, but generic (Gellner [1983] 2006: 26). What is more, in modern society exo-education socializes people into the culture, without the mediation of family in a process. And the only institution that can provide (or at least underwrite) the institution of education is the state. The state provides standardization of curricula, the training of teaching staff and often the day-to-day funding of the schools themselves. Much the same can be said of a modern army: the first part of a soldiers education will be generic, to prepare him/her for further specialization. “The kind of specialization found in industrial society rests precisely on a common foundation of unspecialized and standardized training” (Gellner [1983] 2006: 27).

Exo-education stands at the center of Gellner’s theory of nationalism. By exo-education (outside of the family) modern man is made, and education instills not just literacy, but also culture. The school system educates in what we may call “objective” subjects (mathematics, grammar etc.), but it also assimilates the students into the national culture. Gellner goes so far as to say: “The monopoly of legitimate education is now more important, more central than is the monopoly of legitimate violence” ([1983] 2006: 33). I return to education later, when discussing contemporary Chinese nationalism.

To summarize the main lessons drawn from the above discussion of both Anderson and Gellner, nationalism is spread initially more or less by accident, not design. There are no elites that will the nation and its sentiments into being. The nation is the result of print-capitalism (according
to Anderson) or modernization and education (Gellner). How then is the sentiment of nationalism spread in contemporary societies in which the nation as idea is firmly rooted? Chinese (or Japanese or Norwegians etc.) today no doubt consider themselves nationals of their nation. Why is this sentiment increasing at times and decreasing at others? What motivates a surge in nationalism? These questions cannot be answered by studying variables that lie so far back in time that their transformative powers must be assumed spent. I now turn to how one might use Anderson's and Gellner's insights to understand the contemporary manifestations of their variables. I spend more time discussing Anderson, than Gellner because the concept of print-capitalism is more difficult to apply to the contemporary world than is education.

The Contemporary Relevance of Anderson and Gellner

The nation, in Anderson's analysis, came about as the result of the decline of two previous modes of understanding the world (the dynastic and the religious) and the emergence of print-capitalism. Anderson provides a good explanation for the emergence of the nation as a political community in general, but he does not provide a good explanation for why nationalism movements in already existing states grow in strength. I now turn to some of the deficits of Anderson's account, and suggest how his perspective can help in understanding contemporary Chinese nationalism.

What is problematic about Anderson's theory, is that it is not explicit about how one can test the contemporary value of his hypothesis (print-capitalism driving nationalism). The reason for this is that his focus is on the historical emergence of nationalism, not how and why nationalism in contemporary communities wax and wane. My concern in this thesis is not to explain the emergence of nationalism at the close of the Qing China, but how nationalism is affected by the declining state control over the marketplace of ideas in contemporary Chinese society.

The emergence of print-capitalism must be understood as a unique event: once a society has experienced it, it cannot be undone or repeated. This makes it a poor variable for explaining growing nationalism (either a community has print-capitalism, or it does not. Arguably, print-capitalism must at some point in time be in its infancy, but once the effects of print-capitalism on nationalism have been firmly established, it does not go away).

What can print-capitalism tell us about contemporary Chinese nationalism? Newspapers, a product of special significance for print-capitalism, have been available in China since at least the early 1900's in the cities, so contemporary nationalism must be explained with some other variable. A variable not unlike print-capitalism, can be discerned in the Chinese internet. Others (e.g. Wu 2007) have investigated how internet communication has affected Chinese nationalism, without
drawing on Anderson and print-capitalism. I argue that internet penetration is similar to print-capitalism, in that both provide a new way of communicating with fellow nationals. The difference between the newspaper and internet communication is a matter of degree. I argue that the introduction of internet communication in China has had a strengthening effect on print-capitalism.

Anderson points out that the newspaper can be seen as an extreme form of the book, an ephemeral, “one-day bestseller” allowing the public to debate with other readers (with national newspapers, national readers). By the same token, internet (with its instantaneous communication and ephemeral content) can be seen as a mass produced “one-day bestseller”. The newspaper provided modern man with a mass ceremony, the internet provides modern man with a similar experience. To illustrate his point, Anderson points to Hegel saying that to modern man, reading the morning newspaper serves as a substitute for morning prayers. The imagining of the nation comes about as each reader is aware, consciously or subconsciously, of the existence of his fellow nationals, all reading at roughly the same time, all taking part in the ritual and in the public discussion. Look no further than to Norwegians in Spain, insisting on reading imported Norwegian newspapers (even accepting day old newspapers to local ones). Language cannot explain this phenomena: surely Norwegians residing in Spain read English (or maybe Spanish)? Back in Norway they may prefer their local paper, but sojourning abroad, the national will do. The newspaper is national, and nowhere is man more national then when confronted with foreigners.

The difference between the internet and the newspaper is a matter of degree. The internet performs a similar service as the newspaper: an ephemeral “one-day bestseller” (or even one-hour bestseller), and a public forum for debate. Anyone who can afford a subscription (or the retail price) can buy the newspaper: anyone with access to a computer and an internet subscription can do the same. With the growth of internet cafés, and lately cellphone access, the entrance cost has decreased further. As more and more people can access this forum, a sense of togetherness is created. But there are limits to stretch of the internet, just as there is with the newspaper. Languages erect powerful barriers to entry, creating various zones of communication. While the internet may in theory be world wide, there is good reason to expect much the same dynamics to be at play there as was in the world of the newspaper: national markets for communication. Again, China provides an interesting example: here the internet can be expected to be more national than elsewhere. First, most Chinese do not read English. As a result, the Chinese language internet is growing by leaps and bounds (Gizmag.com 26.12.2010). Second, there is the fact that national elites in China can dominate the marketplace of ideas online to an extent that few other national elites can. The censors are not especially vigilant in censoring nationalism online (nor do they necessarily have the
capabilities to do so (Gilley 2004: 73)) making this a prime arena for nationalist discourse.

Gellner's use of education as an explanation for nationalism is much more straightforward to use on contemporary China. Educations policy has been used actively to spread patriotism in China through patriotic education programs. Education is seen by the CCP as a crucial instrument for shaping the consciousness of young people. This goes beyond China however, as was the case with the much protested Japanese “revisionist” history textbooks. Chinese nationalists have an interest in education as a tool for shaping the historical record of the Chinese nation and Chinese interactions with other nations, both in China and elsewhere. Remembering past violations of the nationalist principle is important to contemporary nationalists.

Education is interesting for my purposes of understanding nationalism in a liberalizing marketplace of ideas, because the educational system is one of the most efficient purveyors of ideas in the marketplace of ideas. The education system enjoys a strong market position in the marketplace of ideas due to the protection it enjoys from the state, as well as the fact that attending school is mandatory in most states. This makes education an important variable to study to understand nationalism in contemporary China.

12 There are two categories this does not apply to, namely cram schools and students who study abroad and return to China (the so-called Haigui or sea turtles). Private owned cram schools typically focus on passing specific tests, and not on shaping the views of their students. Students returning from abroad have a long history of changing Chinese history (Deng Xiaoping famously studied in France), but due to space considerations I will not analyse the impact of returned students and what effect their education abroad has had on their political outlook. For a study of the returned students in the 1990's and beyond, see Li 2006.
The Marketplace of Ideas and Nationalism

In the preceding pages, I have focused on nationalism. In the following, I detail the framework used for understanding how nationalism spreads in a liberalizing marketplace of ideas. I argue that the marketplace of ideas can be used for illiberal ends, even as it is being defended by liberal political theory. A poorly regulated marketplace of ideas may play into the hands of illiberal political entrepreneurs, allowing elites to manipulate the marketplace to secure their positions of power.

The marketplace of ideas allows political entrepreneurs to offer their policies and ideas, and allows consumers to signal their support for their preferred policies. The currency offered by consumers is their support, and the policies and ideas that suppliers offer serve as advertisements meant to attract support (Snyder and Ballentine 1996:13). In addition, there are often financial calculations involved when selling an idea: books, newspapers and other carriers of ideas are sold in the regular marketplace, and may give their authors financial profits, in addition to the ideological support the idea might attract in the marketplace of ideas. Liberal political theory expects the best arguments and ideas to emerge out of the contest, and therefore proscribes freedom of speech and a laissez-faire approach to the marketplace of ideas.

This thesis aims to test what happens when the state moves out of the marketplace of ideas, thus liberalizing the marketplace. A liberalizing marketplace of ideas will be lacking institutions to scrutinize ideas and arguments and genuine competition among producers of ideas are lacking. This allows political elites to use what might be called false advertisement in order to attract support. If the marketplace lacks institutions to critically evaluate ideas or effective competition, this false advertisement will not be stopped by experts or a open debate in which the falsity of the advertisement is scrutinized and exposed. In such conditions, elites may choose to play the nationalist card, attempting to cling to power. Nationalism offers a solution to the age old problem of regime legitimacy in non-democratic polities: rule in the name of the people, but not by the people.

If nationalism is viewed as an idea traded in the marketplace of ideas, new light is shed on a theoretical issue surrounding nationalism: is it “bottom-up” or is it “top-down”? When Chinese nationalists demonstrate, are they driven by their own feelings and wants or are they carrying out the wishes of nationalistic elites? If nationalism is treated as an idea traded in the marketplace of ideas, both of these poles can be incorporated: nationalist elites are supplying nationalist ideas (for their own instrumental purposes) and the public demanding nationalist ideas. Which factor (supply or demand) is behind an instance of nationalism, is a matter to be investigated empirically. It could
also be a mix of the two, with elites championing nationalist myths and ideas that come back as demands which elites can ignore at their peril (He 2007a: 17). Seeing nationalism in this light, presents new questions that need answers before a clearer view of Chinese nationalism emerges: why are elites supplying these ideas? And why is the public demanding them? Elites supply nationalism when they feel their position threatened and when their legitimacy is waning. Consumers in the marketplace of ideas seek utility, as they do in other markets. Nationalism can provide utility, as it provides an attractive idea in which the world is neatly divided into nations, as well as feelings of belonging and solidarity. Nationalism offers consumers new political purpose in the wake of the reduced regime legitimacy.

In the following, I will first define what the marketplace of ideas is, before turning to why it has long been assumed that a free marketplace of ideas will lead to the best ideas winning in the competition for support, and why this is not always so. I then outline which factors shape supply and demand in the Chinese case.

The liberal marketplace of ideas

Let [Truth] and [Falsehood] grapple; who ever knew Truth put to the worse, in a free and open encounter? John Milton ([1644] 1792: 60)

The marketplace of ideas has long held a central place in the pantheon of liberal ideals. Most liberal thinkers subscribe to some version of the analogy or at least to its substance. The marketplace of ideas, simply put, is an analogy in which ideas take the place of goods and services in an imagined market. The assumption is that ideas, like goods and services, should be exposed to free competition, with the better ideas winning over bad ones.

The ideal type of the marketplace of ideas is summarized by Snyder and Ballentine as ”a situation of no monopolies of information or media access, low barriers to entry, full exposure of all consumers to the full range of ideas, the confrontation of ideas in common forums, and public scrutiny of factual and causal claims by knowledgeable experts.” (1996: 12, footnote 23). This is a tall order, as we shall see, but it is a good yardstick, even if it may turn out to be impossible in practice.

The marketplace of ideas is an analogy, using economic theory to illustrate how ideas, and

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13 The attentive reader might object that other reasons for spreading nationalism exists, e.g. the need to mobilize against external threats. While this is a valid point, I focus on domestic incentives for spreading nationalism, of which waning legitimacy is the most prominent.

14 It is difficult to pinpoint exactly when the analogy was first used. Sparrow and Goodin (2001:45) cite a 1919 dissenting opinion in the US Supreme Court as the launch pad that sent the analogy into the public lexicon.
crucially, the support for ideas are spread in society. The marketplace of ideas is the arenas in which public discourse takes place, and where ideas and policies are debated. Mass communications (newspapers, radio, television, the internet etc.) are the most obvious arenas. Snyder and Ballentine (1996:12) also include “[...] local networks of face-to-face persuasion, as well as elite publications and discourse that generate ideas for mass dissemination”. This makes sense, as one also takes account of such arenas as public gatherings by including “face-to-face persuasion”.

The attraction of the analogy lies both in its simplicity as well as the connection between this epistemological basis for a liberal order and another cherished belief of liberalism: the superiority of the market in regulating and redistributing goods and services. The marketplace of ideas is an arena for ideas to compete against one another, and where “good”/true ideas are expected to win over “bad”/false ideas. The market analogy also helps glue political liberalism (freedom of expression, freedom of association etc.) together with economic liberalism (free trade and free markets). Liberal expectations for how markets operate, therefore dictate that the marketplace of ideas should be a laissez-faire market, free from government intervention.

Consumers seek utility, both in the market for goods as well as in the marketplace of ideas. In the marketplace for goods this is fine, as the suppliers compete to offer goods consumers want, at the lowest possible price. If one assumes that the same holds true in the marketplace of ideas, then the market will not serve up truth, but rather whatever the consumers are demanding. Suppliers on the other hand, are not motivated to supply truth either. Rather, they will supply ideas that give them the greatest advantage, ideas they can profit from. With poor or absent regulatory institutions, suppliers are tempted to trade not in fact, but in whatever turns a profit.

A well regulated marketplace of ideas includes institutions to break up “[...] information monopolies, [professionalize] journalism, and [...] create common public forums where diverse ideas engage each other under conditions in which erroneous arguments will be challenged” (Snyder and Ballentine 1996: 6). The marketplace of ideas is no guarantee against nationalism or other ideas that one may dislike, but a well regulated marketplace of ideas will nevertheless allow a debate to take place to evaluate the evidence and possible repercussions of following any given policy. The main benefit of having a well regulated marketplace of ideas is that it has institutions that work to uncover false advertisement (lies, half-truths and myths), and allows the public to evaluate both the foundations for policies as well as their consequences. The marketplace of ideas, like the market for goods and services, needs regulation to produce socially beneficial results (Snyder and Ballentine 1996: 6).

There are two main types of regulation: centralized and decentralized. Centralized regulation
allow government officials and government agencies to control access to media and define ground rules for its use (Snyder and Ballentine 1996: 23). Decentralized regulation is done “[...] through routines of professional behavior in institutions such as the professional media, universities, think tanks and legislative oversight bodies” (Snyder and Ballentine 1996: 23). Decentralized regulation is preferable if the goal is a well functioning marketplace of ideas. Decentralized regulation makes it harder for political elites to regulate in their own interests, or to create media monopolies (Snyder and Ballentine 1996: 23).

Following the market analogy, perfect competition is assumed to be a good feature in the marketplace of ideas, as it is assumed to be in the economic markets. The marketplace of ideas is also a economic market: suppliers of ideas are in the business of selling books, movies and other products, in addition to their ideas. Perfect competition in economic theory assumes that the market in which the perfect competition occurs is characterized by four criteria: 1: there must be many suppliers, each trivial relative to the industry (i.e., no pricing power), 2: a homogeneous product (enabling consumers to switch between products, if prices differed between suppliers), 3: Perfect consumer information (so that consumers have perfect information about all the prices in the market, and all consumers know that products from different suppliers are interchangeable), and 4: free entry and exit, allowing new suppliers to enter and disallowing existing suppliers to collude to bar entry to the market (Begg, Fischer and Dornbusch 2005: 122).

Snyder and Ballentine's definition of perfect competition is similar to the one offered by economic theory, but a few differences are obvious. First there is the fact that ideas are not rivalrous: the marketplace of ideas does not provide goods or services that are spent after consumption. Ideas are unlike goods and services in this regard, as most goods and services are rivalrous. The propagation of an idea does not diminish its intrinsic value for the supplier or consumer; it may in fact increase the power of the idea. Ideas are nonrival and durable (they are not spent after consumption). Nor is there a perfect equivalent of prices in the marketplace of ideas, though some aspects of the market are price based. Examples of this include the price for the vessels of ideas (like a movie ticket, or the cost of a book).

In the marketplace of ideas, “[...] the commodities exchanged [...] are consumers' political support and suppliers' policy commitments. The role that ideas play in the 'marketplace of ideas' is not that of goods, but that of advertisements for political support” (Snyder and Ballentine 1996: 13). Politicians and others who seek support for their ideas will make policy commitments in the marketplace of ideas, and consumers signal their support for these ideas and their backers using the currency of political support or by purchasing the vessels of these ideas.
The marketplace of ideas should be seen as an arena where elites solicit support both for their own mandate and for their policies. These policies must be justified to attract the support of consumers, and in many cases it may be convenient for the politician to deploy myths to justify his or her policies. Consumers decide whom to support based on the arguments being made, and the credibility of the elites proposing policies. The middlemen in the market such as intellectuals, journalists and the media convey the arguments made by the suppliers of policy to the consumers. Middlemen also provide a valuable service in the marketplace by scrutinizing the arguments made, as well as evaluating the credibility of the elites' commitments to their policies (Snyder and Ballentine 1996: 12).

Nationalism in the Marketplace of Ideas

One of the central ideas in much American and European foreign policy was, and to a large extent still is, the notion that democracies are more pacific than non-democracies and that spreading democracy around the world should be an objective of foreign policy (Snyder 2000:15). The idea that democracies are more peaceful is not a new idea, and one can trace the intellectual lineage of the idea back to Immanuel Kant's Perpetual Peace ([1795] 2006).

However, the issue at hand is not the peacefulness of democracies as such, but the free marketplace of ideas, often found in democracies. The free marketplace of ideas is thought to allow different ideas to compete and allows the public to see the merits and costs of different policies. Since consumers are informed about the costs of nationalism, they are expected to shy away from nationalist politicians and policies. Thus, politicians have no incentive to supply nationalist ideas, since they are all competing for the favour of the citizens.

While the above may sound plausible in a democracy, it is less straightforward what happens in a non-democratic country with an increasingly free marketplace of ideas. In this thesis, I argue that liberalizing the marketplace of ideas in some cases leads to an increase in nationalism. Contrary to liberal expectations, an increase in the freedom of expression could lead to an increase in nationalist ideas and myths. Specifically, a country undergoing a liberalization of the marketplace of ideas, while its old elites are fearful of losing privileges and power, is more likely to see an increase in nationalism as the old elites try to use nationalism as a convenient way of continuing their rule. Snyder (2000: 59) argues that in a marketplace of ideas with a monopoly on supply (typically held by the government), the consumers in the marketplace become skeptical of the monopoly supplied ideas. In a transitional period, in which the superficial trappings of a free marketplace of ideas are in place, it becomes easier for elites to sell nationalist ideas and myths.
As the marketplace opens up, and the veneer of competition is erected, elites are increasingly able to and motivated to spread nationalist ideas (Snyder and Ballentine 1996: 7). While democracy and liberalization of the marketplace of ideas do not always go hand in hand, increasingly free marketplaces of ideas at the very least allow more opinions to be heard. Those who are supplying these competing ideas will want their ideas to be converted into policy, either through democratic channels or through other channels. Imperfect competition, in which old elites are able to manipulate the marketplace, can increase the level of nationalism in a society, and increasing freedom of expression may not be the remedy.

I argue that Snyder and Ballentine's arguments about the liberalization of the marketplace of ideas can be applied to China. I have defined the characteristics of the marketplace of ideas under conditions of perfect competition. The following shows how a poorly constituted marketplace of ideas, with imperfect competition and weak institutions, are conducive to the spread of nationalist ideas.

An imperfect marketplace of ideas has imperfections that allows myths to be spread. These myths are similar to false advertisement in a regular marketplace. False advertisement in a regular market distorts information available to the consumer (by making false claims about price or the interchangeability of goods and services). Myths are similar, in that they distort information available to consumers in the marketplace of ideas, which could lead to consumers supporting politicians and ideas without understanding the full extent of the idea/policy proposed.

Myths are defined by Snyder and Ballentine (1996: 10) as "[..] assertions that would lose credibility if their claim to a basis in fact or logic were exposed to rigorous, disinterested public evaluation.". They further define nationalist mythmaking as “the attempt to use dubious arguments to mobilize support for nationalist doctrines or to discredit opponents” (ibid.). As such, they are similar to false advertisement: making claims that, if evaluated by disinterested parties in a public forum, would lose their credibility.

Nationalist mythmaking does not have to be demonstrably false. While some myths certainly are false, often the problem is that the myths are phrased in a way that makes it difficult or impossible to tell if they are true or not, they are non-falsifiable. Statements such as “Chinese should rule territory X” cannot be falsified, as it is a normative statement. Chinese “deserving” to rule some piece of territory is a normative statement, and cannot be empirically evaluated. If one were to attempt such evaluation, wildly different answers would be equally valid, depending on

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15 It should be noted that I am not arguing that China is democratizing. What I am arguing is that China is undergoing a liberalization of the marketplace of ideas, not a more general move towards democracy. For an opposing view, see Gilley 2004.
how one define to “deserve” (Snyder and Ballentine 1996: 10).

Of what use is a functioning marketplace of ideas, if myths are non-falsifiable and thus not subject to proof and evidence? The marketplace provides a way to examine and scrutinize the evidenced used to promote myths. Even if claims such as “We should rule territory X” cannot be falsified on its own, some of the premises given can be. Merely stating “we should rule territory X” is less effective than giving a reason, “we should rule territory X, because we ruled it 200 years ago and it was take from us by force”. The second part of the statement can be evaluated in light of available facts, in the well constituted marketplace of ideas. The well constituted marketplace cannot provide us with “iron-clad restraints” (Snyder and Ballentine 1996: 10) against non-falsifiable myths, but it can “effectively mitigate the propagation of falsifiable nationalist myths” (Snyder and Ballentine 1996: 10).

Nationalism is not a random assembly of statements that vaguely promote national solidarity. Nationalism as an idea and political sentiment is a political program, used to rally support for politicians and policies. Naturally, the exact content of the program will vary from case to case, and this is part of the appeal: nationalism allows elites to rule in the name of the people, but not necessarily by the people. Nationalist ideas and myths are not the only ideas that can be successfully spread in an imperfect marketplace of ideas, but they are more likely to spread at times of change, especially in a political system where more people are pulled into the political arena and the ancien régime is struggling to maintain legitimacy. I argue that this does not have to be a democratization process: a liberalization of the marketplace of ideas in itself is indicative that politicians will have to listen to the new sections of society previously ignored. In such a setting, nationalist appeals are especially tempting because they offer the veneer of popular participation, without actually granting democratic participation. By framing their policies in nationalist rhetoric, politicians are attempting to rule in the name of the people, but not by the people (Snyder 2000: 36).

In addition to the lure that nationalism holds for politician wanting to delay or block public participation in politics, nationalism also offers consumers something. In the marketplace, be it for goods and services or for ideas, consumers are looking for utility, and may make choices that are bad for the common good or for their own individual long-term good. Lind (2010: 17) offers a good analogy: “[…] people love to eat french fries, and do not like beets. This is why McDonald's makes a lot of profit selling french fries, and why McBeet's (if ever there was one) went out of business long ago”. Most people are aware that eating fast food is less then ideal for their health, but business is still brisk at various fast food joints. With that analogy in mind, it should come as no surprise that the marketplace of ideas will also serve up some ideas that may not be good or true, but may be
popular nevertheless. If people make poor decisions in the comparatively simple market for goods, it should not come as a surprise if they also make poor decisions in the marketplace of ideas.

I am not making the argument that freedom of expression is a vice. What I am arguing, is that as the marketplace of ideas is liberalized, there is a very real possibility that nationalistic entrepreneurs and the old elites will attempt to spread nationalistic myths to cement their rule and forestall popular participation in politics. While the well constituted marketplace of ideas can offer a vetting process that allows the market to discredit at least some myths or the hidden costs of acting on nationalistic policies, this is less likely to occur under conditions of imperfect competition or poor regulation. As countries liberalize, there are a number of factors that mitigate against the marketplace of ideas being well regulated or having healthy competition.

Newly liberalizing marketplaces of ideas resemble “young, poorly regulated industr[ies], where barriers to entry are falling, competition is imperfect and oligopolistic elites exploit partial media monopolies in intense competition to win mass support in a segmented market” (Snyder and Ballentine 1996: 14). Imperfect markets allow (and encourages) elites to compete for mass support by catering to consumers, not by debating their ideas and policies, but by spreading them in market segments where they can “preach to the choir”. Elites can then make claims, spread myths and petition for support, with little debate and opposition from competitors or experts. Under these conditions, elites may use nationalism to gain support. With the fading of elite legitimacy, nationalism offers a new raison d'etre for the old elites and their place in society (Snyder and Ballentine 1996: 14).

Selling and Buying Chinese Nationalism

What factors should one look for to analyse the Chinese marketplace of ideas? One obvious factor is of course censorship on the part of the government. A second one is the explosive growth of Chinese internet users in the late 1990's, which has also had consequences for the marketplace of ideas, both in terms of the number of people who can consume and produce ideas, and the fact that the CCP seems to have trouble policing the internet. In the more traditional printed media, there is also an increasingly nationalistic tone and it is not being censored, as the mid-1990's publication of the various China can say no books are testament to.

The above two factors (censorship and the coming of the internet) are both mainly supply side changes in the marketplace of ideas (although the case can be made that the growth of the internet is also a demand side change). Demand in the marketplace of ideas is also a factor to consider. If my primary hypothesis, that nationalism will increase as the Chinese state's control over
the marketplace of ideas weakens is correct, then I expect for there to be demand for nationalist ideas. Before turning to the process that lead to this, it is useful to say a few words about the government apparatus in the PRC, and the CCP and their relationship.

Unlike a multi party democracy, the constitution of the PRC expressly names the CCP as the leader of the Chinese people. The implications of this, as Tang (2005: 14) points out, are that there is one party in power (the CCP) and that no legitimate political opposition is allowed to challenge its power. The party is fully in control of the state: “[...] the party exercises organizational and personnel control over the state apparatus” (Tang 2005: 16). So when the state retreats from the marketplace of ideas, in effect, the CCP withdraws too. The party is in control of the state and uses the state apparatus to further its policies.

Why then, would there be demand for nationalist ideas as the state withdraws from the marketplace of ideas? There answer can be traced back to two sources: newly unleashed demand and state-sponsored patriotic education before and during the liberalization of the marketplace of ideas.

The first of these explanations is fairly straightforward: as the marketplace has long been dominated by a monopolistic supplier (the state under the leadership of the CCP), long suppressed demand for nationalistic feel-good ideas are slowly bubbling to the surface. This is similar to the analogy proposed by Lind above: consumers are looking for utility, in the marketplace of ideas and elsewhere. As a consequence, they may not make the “best” choices (depending on what “best” is to any given observer), but will choose ideas that give them utility. Nationalism may fill that demand, especially in the wake of a ideological vacuum felt after the reform and opening up has left much communist dogma behind.

Secondly is the state-sponsored patriotic education reforms. Designed to fill the gaps after the relative devaluation of Marxism, patriotism became a value to be taught in lieu of Marxism in schools and universities across China. Zhao (2004: 218) dates the start of the patriotic education campaign to the early 1990's, when the CCP was scrambling to find new legitimacy in the wake of the crushing of the Tiananmen square demonstrations in 1989. Taken together, these two demand side changes help explain the rise of contemporary Chinese nationalism.

Supplying nationalism becomes attractive for elites under (at least) two conditions. Either because they are competing in a pluralistic setting with other elites, in which case nationalism is one of many options open. Nationalism holds a special attraction for elites, as it can be deployed to give the semblance of participation, while allowing the elites to rule in the name of the people (Snyder and Ballentine 1996: 15).

The other condition which makes nationalism tempting for elites is when the ruling elites are
no longer able to monopolize the marketplace of ideas and their legitimacy is challenged (Snyder and Ballentine 1996: 15). This is what I hypothesize is happening in China today: no longer able to monopolize the marketplace of ideas, and being challenged to live up to their nationalist credentials, the CCP must play the nationalist “game” and cannot afford to appear anything but nationalist. The vocabulary deployed by nationalists is increasingly difficult to censor, for fear of attracting the wrath of nationalists. The marketplace of ideas in this situation is both supplying and demanding nationalist ideas.
China Pre-1990

This chapter details the marketplace of ideas in China in the 1900's, laying the groundwork for a testing of my two hypotheses. My primary hypothesis is nationalism will increase as the Chinese state retreats from the marketplace of ideas. A corollary of this hypothesis is that a freer marketplace of ideas with increasing nationalism provides the CCP with strong incentives to defend its nationalist credentials, even at the expense of other interests.

My competing hypothesis is nationalism will decrease as the Chinese state retreats from the marketplace of ideas. A corollary of this hypothesis is that a freer marketplace of ideas does not provide the CCP with strong incentives to defend its nationalist credential, allowing the CCP to largely ignore nationalist demands.

While much can be learned about current Chinese nationalism by looking at recent developments, there is still a need to also have a understanding of the long term historical development and effects of nationalism in the Chinese marketplace of ideas. Nationalism in China is not a recent development, just as the concept of the nation-state is not a recent phenomena. In the following I briefly trace nationalism from around the fall of the Qing Dynasty and up to the 1900's, where my first case begins. Due to space considerations I have attempted to keep this short, and the following should not be taken as a comprehensive overview of nationalism and the marketplace of ideas in China. I am sure the reader will find some omissions in the following, pointing out that this or that episode should have been included. While this is a fair complaint, the quick overview of Chinese nationalism that follows grows out of my understanding of Chinese nationalism as a modern phenomena, a profound break with previous modes of understanding the world and the community one lives in\(^{16}\), as well as an attempt to show a quick overview of the marketplace of ideas in China in the period after the fall of the Qing.

As in pre-modern Europe, the ancestral lands of the nation-state as a concept, there was in dynastic China a conception of political legitimacy that found its source of legitimacy not in citizens, but in an external source. In Europe that legitimacy had in times before the nation-state been grounded in the divine right of kings. Legitimacy derived from the king's claim to represent God's will on earth (often times through God's intermediary, the Pope). The various dynasties in what would eventually be known as China based their legitimacy on an external morality. When the emperor’s rule was just he had the mandate of heaven, and thus was entitled to rule. When

\(^{16}\) For a critique of this mainstream understanding of Chinese nationalism, the interested reader should consult Duara 2009, esp. chapter 5.
catastrophe befell the empire and the people rebelled, this was taken as a sign that the mandate of heaven might be waning. This thinking, of placing legitimacy outside the political community, was evident until the fall of the last dynasty, the Qing, in 1912. What replaced it was a growing understanding of the national community China.

Nationalism was not the only ideological contender in the marketplace of ideas in the early 1900's. Nationalism, Liberalism and various strands of socialism were all competing, alongside other intellectual currents such as social darwinism and more conservative Confucian attempts at reforming the ancien regime. All these took as their starting point the Chinese conditions, trying to remedy the weaknesses that had brought catastrophe upon their society. Dirlik (1991: 51) points out that the old order, the Qing dynasty and Confucian scholars, continued to “[...] insist that China was a world unto itself [...]”, and as such were opposed to the new understanding of China as a nation. Nationalism, with its realization that there are other formally equal communities, was not promoted by the ancien regime, but by radical intellectuals. It was in large part the imperialism of the European powers that forced a serious rethinking of political legitimacy by intellectual Chinese.

The Sino-Japanese war of 1894-96, the Japanese seizure of the German colonized areas in Shandong province as part of the first World War, their 21 demands in 1915 and finally the announcement that Japan had been given the German areas in Shandong sparked the May Fourth movement (Fairbank 1987: 182), an anti Japanese uprising. It should also be noted that the Japanese, while being the primary target of anger and suffering boycotts, was not the only target. The Chinese were also lamenting the feeble Chinese governmental response to these events. And, even more importantly for my purposes of understanding the market dynamics in more recent Chinese history, the CCP has claimed this early Chinese nationalist uprising as its origin (Fairbank 1987: 183). By claiming a nationalist pedigree, the CCP locates its legitimacy in the aspirations of the people, outraged at the violation of the nationalist principle: “[...] the political and the national unit should be congruent.” (Gellner [1983] 2006:1). As the old regime was clearly unable to uphold this principle, a new regime that could protect the nation and its territory was needed.

Leaping forward, into the People's Republic of China era (post 1949), and the picture is different. After years of civil war, then foreign invasion and occupation, then civil war again, the CCP was ready to start the task of building “New China”. From the start, the CCP relied on their revolutionary credentials as well as their success in expelling the Japanese, to support their legitimacy. With Mao Zedong declaring “China has stood up!” the new People's Republic was

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17 For a critique of this view, see Cohen (1984: 9 pp.).
18 It may well be that this declaration by Mao is in fact a myth. Gries (2004: 162, note 30) claims that “Mao apparently never declared 'China has stood up'”. Gries goes on to point out that this does not detract from the anecdote: the Chinese are well aware of the story, and the story is widely believed. Regardless of its factual accuracy, the power of
from the start a nation-state building project. The marketplace of ideas was controlled by the CCP and the emerging state, and the Party was clearly eager to use its new powers to suppress ideas it disagreed with, as the Anti-rightist campaign of 1957 is but one example of. The Anti-rightist campaign grew out of the Hundred Flowers campaign. Briefly put, Mao Zedong had called on intellectuals to air their ideas freely, with calls to “let a Hundred Flowers bloom and a hundred schools contend”. The intellectuals, thinking that they could air grievances and help reform the party, started criticizing the problems they saw in China. As the critique increasingly targeted the CCP, Mao and the Party reversed its position and started to persecute so-called Rightists (Spence 1999: 539 ff.). In this environment, the intellectuals and other suppliers to the marketplace of ideas had to be sensitive to the changing political environment and avoid antagonizing the leadership.

After Mao's death, and the brief interlude under Hua Guofeng, the CCP embarked on a reform of the economy in the 1980's. The CCP relaxed its grip on the marketplace of ideas as well, but only partially and in short bursts, alternating between liberalizing and suppressing. In 1978-79, the Democracy Wall movement sprung up, as the regime relaxed its control. The Democracy Wall movement and the clampdown that followed was similar to the Hundred Flowers campaign mentioned above. A marketplace of ideas sprung into life, with the medium of choice being the so-called big character posters. The movement came to a halt when the regime arrested Wei Jingsheng after he posted a poster suggesting that democracy be added to the regime's “Four Modernizations” reform program (Fairbank 1987: 359).

Zheng (1999: 48) points out that the new reforms promoted by Deng attempted to alleviate an identity crisis that came in the wake of Mao's death. There was a widespread sense of dissatisfaction, a sense that the CCP had not lived up to its promises. With the “reform and opening up” policies, designed to boost the Chinese economy, ideas such as liberalism and democracy started to seep in. Zheng quotes a nationwide survey from 1987 that found 75% of Chinese being “[…] tolerant of the inflow of Western ideas […]”(1999:50). Zheng goes on to argue nationalism grew at the end of the 1980's, and became a “[...] dominant discourse among Chinese intellectuals” (1999: 51) after the Tiananmen Square demonstrations.

He Yinan (2007a: 6) dates the rise of nationalist sentiments in the reform era to the early 1980's. After the Cultural Revolution, the Party suffered a lack of legitimacy. Furthermore, the economic reforms had brought social problems such as inflation, unemployment and corruption. As conservative factions in the CCP wanted to slow down the economic reforms, Deng and his faction used nationalism to rally the population around the nation, and the Party. Nationalism was an issue
that the conservative faction could also rally behind. The demand stimulated by the CCP was soon meet with demand from Chinese consumers in the marketplace of ideas. The relationship between supply and demand is likely dialectic: the CCP had to stimulate (and not create ex nihilo) nationalist demand. The idea of the Chinese nation was there before the CCP began drawing attention to it, and the swift rise in demand once presented with nationalist ideas supports this interpretation. In 1987, for example, the best-seller The great Nanjing massacre sold 150,000 copies in the first month (He 2007a: 8). There were also demonstrations against Japan in the 1980s, protesting Japanese Prime Minister Nakasone's visit to Yasukuni shrine19, Japanese history textbooks that Chinese felt distorted the history of the war as well as protests over alleged Japanese dumping of wares in the Chinese market (He 2007a: 9). Japanese revision of the remembrance of the war, fed into the emerging victims nationalism. The Chinese government established new museums to entrench their view of the war, a development I return to in the following.

It should also be remembered, that even at this early stage, the CCP had to work hard to stay in control of nationalist sentiments. In December 1986, demonstrators were demanding democracy, while also voicing nationalist resentment towards Japan. Hu Yaobang was ousted as General Secretary in January 1987 ostensibly because of his failure to stop the demonstrations, but in reality because of his attempts to curb corruption and because of his ties with democratic intellectuals (Meisner 1999: 487p.). Hu's death in 1989, and the Party's assessment of him, provided would-be demonstrators with an opportunity to gather on Tiananmen Square and voice their demands in what would become the Tiananmen Square protests.

It should be clear by now that nationalism was by no means a new development in China in the 1990's and 2000's. The concept of the nation-state, and the principle of nationalism was firmly entrenched in the collective imagination of the Chinese people. The 1990's, as we shall see, saw a conscious effort on the part of the leadership to stoke the demand for nationalism in the marketplace of ideas. No longer able to rely on their revolutionary credentials and tarnished by the Tiananmen Square massacre, a new legitimating strategy was needed.

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19 Yasukuni shrine is a Shinto shrine that commemorates Japan's war dead. The spirits of those who died for Japan in the line of duty are enshrined here. The controversy over the shrine started after it became clear that the spirits of class A war criminals had been enshrined here in the 1970's. In addition to the spiritual matters, the shrine also operates a controversial museum.
China 1990-1999: in The Shadow of Tiananmen

China of the early to mid-1990s was still reeling from the shock of the events that played out on Tiananmen Square in 1989. The CCP sought to break out of the isolation imposed by international society in the aftermath of the massacre, while at the same time attempting to keep a lid on domestic opposition. Maurice Meisner neatly sums up the situation in the early to mid-1990's: “Persecution of political dissenters was harsher, the activities of the secret police more pervasive, jailings were more frequent, and Party censorship of newspapers, journals, books, and movies was more stringent” (1999: 511).

The legitimacy of the regime was in jeopardy, for obvious reasons. The Tiananmen Square massacre had shown that political upheaval could easily lead to violence, as it had in the Cultural Revolution. These two events were of course different, with the Cultural Revolution lasting years and killing millions, but some similarities exists. Just as the Cultural Revolution had tarnished the reputation of the CCP and its ideology, so too had the Tiananmen Square Massacre brought into question the legitimacy of a regime that was willing to crush opposition using the military. The end of the Tiananmen Square protests marked not just the end of that particular movement, but also a victory for the hawks in the party.

Internationally, the media coverage and response to the massacre was a disaster for the regime. The leader of the Soviet Union, Mikhail Gorbachev, was due for a state visit in on the 15th of May, and there was a huge foreign media presence in Beijing to cover the visit. The visit was the first state visit from the Soviet Union in decades, marking the normalization of relations between the PRC and the Soviet Union. This of course added urgency to both the demonstrators and the CCP, both of which attempted to put their spin on the situation. The international community responded to the crackdown for the most part with condemnations: the EU launched a weapons embargo that is still in force (Economist 01.02.2010). The US responded by imposing a ban on high-level contact between the US and China, suspended weapons sales and imposed some economic sanctions (New York Times 11.12.1989).

The take home messages for the regime and the demonstrators were naturally quite different. The regime learnt that there was opposition simmering below the surface and that this opposition had to be managed by the CCP. The demonstrators learnt another lesson: the regime will use force if necessary. In the 1990's, China did not take the path of the former Soviet Union, but instead focused on stability, the watchword of the intellectuals in the neo-conservative camp (Chen 1997: 594). The Chinese economy continued to reform, while the political system remained unchanged.
China during the 1990's was characterized by tight control of media outlets and other parts of the marketplace of ideas. Zhao (1998: 289) goes as far as calling the two years after 1989 “[...] some of the most politically repressed years in China since 1949”. Looking for new legitimacy, and ultimately a new raison d'etre in the twilight of Maoism, the 1980's had shown that the party could not rely on economic performance alone. The problem with such a strategy was twofold: first, the economic boom had propelled many Chinese out of poverty, but left many behind. Second, there was always the chance that the economic tide would turn, washing away the party's new found legitimacy. Thus the party turned to nationalism to legitimate their rule of China (Lam 2006: 213), in effect using their mostly monopolistic supply in the marketplace of ideas to instil nationalism through schools and other institutions charged with producing what He Yinan calls the hegemonic national memory (2007b: 47). The CCP had moved to control the hegemonic national memory in the early 1980's, in an effort to defang a growing movement to seek redress for the many victims of the Cultural Revolution, a movement that eventually also included calls for democracy (He 2007b: 51p.).

The groundwork for the demand for nationalist ideas seen in the 2010's was laid during the mid-1990's. Much of this groundwork was done by the CCP and government, through the patriotic education reform. There were also more independent actors supplying nationalist ideas in the 1990's, especially writers of popular nationalistic books. The end of the 1990's also saw technological innovation that played a large role in developing both the marketplace of ideas as well as nationalism, namely the explosive growth of the Chinese internet.

This chapter shows how the narrative in modern Chinese history changed, in part through the implementation of patriotic education reforms. This change was later reflected in the market demand for ideas and cultural products that dwelled on Chinese suffering and on China's growing power. To show this, I look at examples both from institutional remembrance, books and movies that sold well in the mid 1990's. I then turn to two events involving external parties, the Diaoyu/Senkaku dispute between China and Japan and the American bombing of the Chinese embassy in Belgrade to see how the marketplace of ideas reacted to these events. I end this chapter with a discussion of an expansion of the marketplace of ideas through the growth of the Chinese internet at the end of the 1990's.
Patriotic Education Reform

One important factor to explain the demand for nationalist ideas is the patriotic education reforms in the early 1990's. These reforms dropped the ideological education classes (with a focus on Marxism) in favour of classes designed to make students proud of China, Chinese history and culture. In 1992 the first missive of the patriotic education reform was formulated and sent out. The first directive was called “Circular on fully using cultural relics to conduct education in patriotism and revolutionary traditions” and was issued by the CCP Central Propaganda Department, followed by “Program for China's education reform and Development” (1993) issued by the State Education Commission. The latter of these set patriotism as a guiding principle for the education reform (Zhao 1998: 292). Later in 1993, a document called “Circular on carrying out education in patriotism in primary and secondary schools throughout the country by films and television” was issued by the CCP Central Propaganda Department, the State Education Commission, the Ministry of Broadcast, Film and Television and the Ministry of Culture. Following these directives, students were shown films intended to make them more patriotic (Zhao 1998: 292). The campaign was thoroughly implemented, with Zhao (1998: 292) claiming that 95% of Beijing Primary and Secondary school students had seen movies recommended by the State Education Commission.

Nationalism was a force in Chinese politics in the early 1990's, but as the government was in full swing cracking down on dissent, the supply side of the marketplace of ideas was not a place of vibrant competition and independent institutions. Nationalism was promoted by elites in the CCP through the use of patriotic education. The reader might object that the marketplace of ideas does not work at the level of public education: there is no competition between suppliers. The function of the patriotic education reform was not to let the CCP compete in the marketplace of ideas directly. Rather, it was an attempt at shaping consumer tastes before reaching the market.

Think of the regular marketplace for goods and services: children are not independent agents in these markets, as they do not make independent purchasing decisions. This does not deter suppliers from attempting to influence young children. Children are attractive advertisement targets for two reasons: first, because they hold considerable sway over their parents purchasing decisions (what is sometimes called “pester power”, the ability to pester someone until they give in to your demands). The second reason is to influence long term consumption habits. The patriotic education reform was an attempt at influencing long term values in children, an attempt at shaping demand in the marketplace of ideas before the consumer enters the marketplace.

Patriotic education was promoted to help the CCP with their waning legitimacy. There were
really just two alternatives on the table: either retreat into Maoist orthodoxy and abandon the lucrative economic reforms, thus attempting to restore faith in the party by appealing to dogma. Or, the CCP would need to find a new ground for legitimacy. Deng and his faction turned to nationalism as a new way of legitimating CCP rule.

The crisis of legitimacy was summed up in the phrase *sanxin weiji*, three crises of faith. These three crises, crisis of faith in socialism, crisis of confidence in the party and crisis of confidence in the future of the country, (Zhao 2000: 25) would scare any regime, and patriotic education was one attempt at curing these three crises (Zhao 2000: 27). The implementation of this education campaign was not straightforward, as different factions in the CCP wanted different foci, to further their preferred policies.

The conservative faction wanted the campaign to focus on anti-liberalization, while the more reform minded faction wanted to focus on patriotism and traditional culture. The reform faction was obviously concerned about their economic reform program, and wanted to avoid a situation that could lead students to question the reform efforts (Zhao 2000: 28). It should be clear at this point that Deng and other members in the CCP were increasingly concerned about how the ideas they were spreading could shape the future direction of policy. There was a realisation that ideas mattered and, more important for my analysis, that the ideas could turn on the CCP. Shaping the preferences of the public became a urgent matter.

The patriotic education reform was a deliberate attempt at stimulating demand for nationalist ideas. It is useful to think of this in terms of market distortion. The CCP, using the government apparatus at it's disposal, should be seen as a near monopolistic supplier when supplying these ideas to young students. These students are unlikely to seek out competing views, and are likely to be quite trusting of school authorities.

**Institutionalising Remembrance**

During the 1980's, three national museums were set up to commemorate the war with Japan, one in Beijing, one in Nanjing and one in Shenyang. The timing of their establishment is significant, as it came four decades after the war, at a time of rapid social change in China. Nor were their placement random (these things never are): in Beijing the museum was built close to the Marco Polo Bridge, which saw the first clashes that lead to open warfare between the Japanese and Chinese forces in the Marco Polo Bridge incident in 1937, Nanjing was the site of the 1937 Nanking Massacre, and Shenyang was where the Japanese invaders staged a coup leading to the establishment of the
Manchukuo puppet regime in 1932 (Mitter 2003 :127). The Nanjing museum, which I focus on in the following, was designated an “educational base of patriotism” in 1997, meaning that primary and middle school students enter free of charge. In the period 1985-1997, primary and middle school students were charged half price. Price cuts seems to have had an effect, with “a sharp rise in visitors in recent years” (China Daily 26.02.2004).

Beyond the obvious need to find new sources of legitimacy, the museums are also notable for the fact that they cover ground that was previously taboo, such as the suffering of the Chinese: the political circumstances up to the mid 1980's demanded that history be told with an emphasis on heroic resistance, and without too much reference to suffering, which was seen as “bourgeoisie humanitarianism” or “defeatism” (He 2007a: 7).

The museums thus mark a shift in the narrative of Chinese history, from China as a victor to China as a victim. The building of museums and monuments is an important part of how nations remembers their past. As Lind (2008: 15) writes: “By deciding to erect a monument, to build a museum […] in honor of a person or event, a government confers recognition and honor”. Commemoration is a scarce resource: one cannot build monuments and museums for all historical events and persons. This makes official commemoration a good indicator for measuring the relative importance of historical events (Lind 2008: 15). The building of these national museums tell us something about what the political elite in China wanted to communicate, both to their domestic audiences, to the Japanese, and to world opinion.

The Nanjing massacre has also been featured prominently in popular culture. 1997 saw the publication of Iris Chang's book *The Rape of Nanking: the forgotten Holocaust of World War II*. The book was controversial, with some historians praising it (Zagoria 1998), while others criticised it for being “[…] full of misinformation and harebrained explanations” (Fogel 1998: 818). Whatever the merits or demerits of the book, the book should be understood as an attempt to rally support from Western countries against what Chang sees as Japanese amnesia about World War II.

I've only had a chance to visit the museum in Nanjing, during the early summer of 2009. Having previously visited concentration camps in Europe as part of a high school group in the early 2000's, I found it difficult not to compare the two, something I would soon feel that the museum curators were doing too. Just waiting in line threw a similarity my way: a group of high school students from Australia there to learn about World War II, not unlike myself some 8 years earlier. The museum itself reminded me of both a church and of a regular museum with exhibits. The sacral atmosphere of the stone park outside the museum contrasted with the brutal exhibits inside, an

20 Nanjing is the name romanized in pinyin, while Nanking is the old (Wade-Giles romanization) name.
effect not unlike what I had experienced while visiting Auschwitz in Poland, where the vastness of the complex contrasts dramatically with the claustrophobic indoor exhibits.

Nanjing, and the atrocities that occurred when the Japanese invaded the city in December of 1937 is still very much alive in the Chinese national memory. The Nanjing museum is intended to keep that memory alive, and its construction in the mid 1980's is no coincidence, but more likely intended to remind the Chinese nation of the suffering endured at the hands of the Japanese and more importantly, that the CCP fought the Japanese. “Our purpose is to provide patriotic education for children and young people, and not to let them forget history as we strive to make the country stronger” according to Zhu Chengshan, the museum director of the Nanjing Massacre museum (New York Times 23.04.1996). Mr. Zhu was appointed museum director by the Nanjing Propaganda department in 1992, the same year the patriotic education reform started (New York Times 23.04.1996).

As mentioned earlier, there have been attempts to draw links between the Nanjing massacre and the concentration camps in Europe, with some even going so far as to call the Nanjing massacre the “forgotten Holocaust of the Second World War” (this is the subtitle of Iris Chang's book, *The rape of Nanking*). The Nanjing museum does not make such explicit claims, but the Nanjing museum did have an interesting exhibit on John Rabe, a representative for the German Siemens company in China. His courage in protecting innocent Chinese is praised, and his nationality and membership in the German Nazi party is noted. The museum tries to connect the events in Nanjing to events in Europe by calling Rabe the Schindler of Nanjing21, implying that the Nanjing massacre and the Holocaust are equivalent. The validity of that claim is for others to evaluate, but it is interesting to note how important the remembrance of suffering was becoming in the 1990's, and the eagerness to compare sufferings with events that foreigners are likely to recognize.

Another motive for including John Rabe might be to shame the Japanese invaders. John Rabe, a member of the German Nazi party, a party that is universally synonymous with evil, could not stand idly by while the Japanese attacked innocent Chinese. This goes some way toward saying the Japanese were worse than the German Nazis, a point Fogel (1998: 819) raises in his review of Chang's *The rape of Nanking*.

When museums are set up, curators make decisions about what to include and what to exclude, as well as deciding how to present the exhibits. While the inclusion of the story of John Rabe is interesting, it is interesting from a European perspective first and from a Chinese perspective second. That is not to say that Chinese or other Asians are not interested in Europe, but

21 The webpage of the Nanjing Massacre museum refers to John Rabe as “Schindler of Nanjing” (Nanjing 1937).
the intended audience for the Rabe exhibit is likely to be Europeans and Americans, and not Chinese. Looking at the web page for the museum furthers this impression, with two of the six sub-pages on the massacre itself being devoted to “The Nanjing massacre through the eyes of Westerners” and “The early reportage of Nanjing massacre in the World”. The full extent of the massacre must be confirmed by outsiders; it is not enough that victims and victimisers acknowledge and remember the full extent of the atrocity. “[...] quantifying one nation's pain is meaningless unless this effort is performed on the world stage” (Gries 2004: 81).

As the museums catered to both domestic and foreign audiences, the goals of the exhibitions were different. As discussed, the museum in Nanjing implicitly compares the Japanese atrocities with atrocities Western audiences are familiar with. The message to domestic audiences is different, seeking to remind Chinese of the suffering inflicted on the Chinese nation by the Japanese. Students and workers were urged to visit “patriotic bases” during the patriotic education campaign (Xu 2001:156). Cutting the price for young students also helped boost visitor numbers, ensuring that the new narrative of China as a victim spread far and wide. Students who were taught these ideas would be more likely to demand similar ideas as adults consuming ideas in the marketplace. In effect, the government was shaping consumers' tastes in the marketplace of ideas, something that likely helped cement the view of China as victimised by Japanese aggression. This view of the past is not wrong, as Japanese forces did horrible things during their invasion and occupation. The problem is that it is incomplete, as it ignores the changes both in Japan and in the Sino-Japanese relationship since the war.

Victim in Literature and Film

While Chang's book was primarily meant for the English language market, and the museums cater to both domestic and foreign markets, there were a number of nationalist books published in the mid-1990's with the Chinese market in mind. China can say no (1996) and its sequel, China can still say no (1996) were both written by young Chinese nationalists. China can say no discusses the Sino-US relationship, and China can still say no discusses the Sino-Japanese relationship.

As Gries points out in his review of the two books, the authors seem more intent on selling books and making money than making a scholarly argument (1997:181). The books, especially China can still say no, are passionate, but also quite venomous. Gries (1997: 183) quotes China can still say no on the Japanese people: “Their is a different kind of blood ... We have probably made a mistake ... you can only be humane towards humans; towards beasts you can only be bestial”. Both books

22 The title of China can say no was inspired by the 1989 book The Japan that can say no by Akio Morita and Shintaro Ishihara (Gries 2004: 35).
were written by passionate nationalists, but it does not seem like a fringe sentiment: *China can say no* sold very well. Wu (2007: 27) claims the book sold more than 100,000 copies in a month. Gries notes that *China can say no* “[…] [Became] an instant, and influential, bestseller.” (1997: 182). This should be seen as evidence that in the marketplace of the mid- to late 1990's, nationalism was getting a hearing and many consumers liked what they heard. The fact that the CCP allowed the books to be published, and at such a sensitive time (*China can still say no* was published during the 1996 Diaoyu conflict, and right after the 1996 Taiwan Straits standoff between China and the US), is testament to the tolerance of nationalist expressions in the marketplace of ideas.

In fairness, there are examples to the contrary: *China's Grand Strategy: A Blueprint for World Leadership* (1996) was recalled and banned for fear that it would fuel suspicion abroad about a China threat (Garver 1998: 61). Wu (2007: 27) claims that *China can say no* was banned at the end of 1996, but I have not found other sources to confirm this. Gries disagrees (2004: 124) claiming that *China can still say no* (1996) was banned, but claims that the first book (*China can say no*) “remained in bookstalls for years” (2004: 124). The difference between the books subject matter, the first being about the Sino-US relationship, and for the most part supporting the party line, and the second being about the Sino-Japanese relationship, but being critical of the regime's Japan policy was the reason for the latter being banned (Gries 2004: 124).

The *say no* phenomena is interesting because it shows the three main motivations that drive producers of nationalist ideas: seeking to influence policy, turning a profit and expressing their feelings. Or in the words of Gries (2004: 126) “[…] “say no” nationalists sought to vent their anger, curry favour with the party elite, and make a buck”.

*China can say no* attracted official notice both because of its contents, as well as its popularity. The writers wrote in accessible language to appeal to a general and wide audience (Gries 2004: 126). The CCP saw a chance both to sway public opinion their way (remember, *China can say no* supported the official policy on the US), as well as redirecting public discontent away from the regime and the foreign ministry endorsed the book. This obviously benefited the authors, who with official endorsement gained a strong position in the nationalist discourse of the period, having their ideas spread in the marketplace as well as making a nice profit (Gries 2004: 126). This semi-free market allowed the authors to capitalize on the earlier efforts by the CCP to influence consumers preferences. With official endorsement, and critical reviews muzzled in the PRC, the authors were able sell their ideas in the flawed marketplace of ideas of the mid 1990's. “Once grasped […] the strict rules of the official media … can be used to convert tiny costs into huge profits” (Chen Xiyan, as quoted in Gries 2004: 126).
The China can say no books reflected a broader re-imagining of the nation, from imagining China as a victor to imagining China as a victim. Discussing the past with a focus on Chinese suffering and the culpability of other states became acceptable, both to consumers in the marketplace of ideas and to the CCP. This was reflected both in literature and in movies. Just as River elegy had given expression to one current in Chinese intellectual life in 1988, so too did 1997's Opium war give expression to a growing interest in a new narrative of modern Chinese history. Both Gries (2004: 49) and Karl (2001: 229pp.) agree that the new narrative of the First Opium War (1839-42) specifically, and modern Chinese history generally, is captured in two films about the First Opium War, Lin Zexu (1959) and The Opium War (1997). While both films deal with the same historical event, their focus is markedly different.

The first movie, Lin Zexu, released ten years after the founding of the People's Republic, focuses on the close relationship between Commissioner Lin and the people. “Lin and the Chinese people (renmin) are one in an upbeat tale of popular resistance” (Gries 2004: 49). Commissioner Lin is interested in the local conditions and the solution to the opium problem is found in the Chinese people's struggle against the British. Lin is loyal to the Chinese people, and not to the dynastic Qing court who sent him to Guangzhou to take care of the opium problem (Karl 2001: 241). This made perfect sense in the political milieu at the time. The old order (the dynastic feudal system) has been overthrown and the CCP will listen to the Chinese people and work with them to overcome China's challenges. Lin Zexu was made while the new state was trying to inspire the population to sacrifice in the name of the revolution. The movie ends with the narrator announcing “The opium Westerners forced on China did not numb the Chinese people. To the contrary, it aroused them. The people's struggle against imperialism and feudalism began from this day” (as quoted in Karl 2001: 229). The new People's Republic needed heroes and sacrifice, and so the narrative emphasised China and the Chinese people as capable of overcoming adversity, under the guidance of the CCP (represented by commissioner Lin).

River Elegy was a broadcast on China Central Television (CCTV) in June 1988. The film was a critique of traditional Chinese culture, and embraced Western culture, science and progress as the cure for China's ills. The movie was also a subtle critique of Maoism, and an embrace of the market reforms of Deng Xiaoping. CCP General Secretary Zhao Ziyang (later ousted for his sympathy with student demonstrators during the clampdown on the Tiananmen square demonstrations) supported the film. The screening of the film and the themes it addresses (opening up to the world, reform etc.) show that the CCP leadership was factionalized, with Deng seeing little need for political reform and opposing a second screening of the film and Zhao and the liberal wing of the CCP seeing a need for political reform as the economic reforms progressed (Meisner 1999: 494pp).

The First Opium War (1839-1842) was a conflict between the Qing Dynasty and the British empire, in which the British wanted to sell opium in China, while the Qing was understandably opposed to the sale of narcotics to its population. In the end, the British resorted to warfare to force the Qing to allow the sale of Opium. Equally bruising for contemporary nationalists, was the loss of Hong Kong island to Great Britain in the treaty of Nanking (1842). The area known as The New Territories (now part of Hong Kong) were lost to the British in the second Convention of Peking (1898).
By the mid 1990's the narrative of the past had changed and *The Opium War* gave expression to that. In *The Opium War*, Emperor Daoguang is shown sobbing, shrouded in shadows as he faces his Dynastic ancestors, before the camera moves outside to film a stone lion in a rainstorm. The film ends with a message “On July 1, 1997 the Chinese government recovered sovereignty over Hong Kong. It has been 157 years since the Opium War ….” (As quoted in Karl 2001: 230).

In the first telling, Chinese and the Chinese nation were roused to fight. Not merely victims, the Chinese people could (and should) take the reins of history into their own hands (under the guidance of the Party) and cast off the yoke of the opium peddling British. In the second telling, the mood has changed. Now the focus is on the weakness of the Qing dynasty for failing to keep opium out, and on the loss of Hong Kong. The film highlights past suffering and lost territory. But all that has changed. China is no longer weak, and will not accept bullying at the hands of other nations. “A victim in the past, a vengeful China will be a victim no longer” (Gries 2004: 49).

Beyond a new narrative of China's modern history, the above also shows how the marketplace of ideas had changed by the mid-1990's. Literature and films that dwelled on China's past as tragedy were selling briskly. *The Opium War* was a very expensive venture by the standards of Chinese cinema, costing more than $12 million to make, employing a cast of tens of thousands (Karl 2001: 232). And the movie did very well in the marketplace. Karl (2001: 232) claims that 37 percent of all movie tickets sold in China in the months (June/July 1997) after the movie's debut were for this movie, a huge number. The film industry in China seems to have shed its Maoist ideological skin, and replaced it with a market driven ideology, in which the market is the arbiter of both historical sentiments and aesthetic value. In the past, artists had to tailor their ideas to the taste of the Party. In the post-Tiananmen era, this is no longer true, as producers of ideas try to shape their offering into something that is acceptable to both Party censorship and to the market at large.

In the following, I briefly investigate the Diaoyu/Senkaku island dispute (a dispute I return to in the next case chapter), before turning to the bombing of the Chinese embassy in Belgrade in 1999. I end this chapter by looking at the growing importance of internet, and how the internet was used during the 1998 attacks on ethnic Chinese in Indonesia.

**The Diaoyu/Senkaku Islands**

The islands, known in Chinese as Diaoyu and as Senkaku in Japanese have long been a bone of contention between China and Japan. The islands are located in the East China Sea, between the PRC, the ROC and Japan, with each government laying claim to the islands. Japan administers the
islands. The uninhabited islands in question are a collection of some small islands and a few barren rocks. What is really at stake is nationalist pride as well as the potential for oil and gas reserves in the sea surrounding the islands. Due to space considerations I will not dwell on the merits of the claims made for the islands, and focus on the protests the islands elicited in 1996, and later at various times in the 2000's.

On the 14th of July 1996, a group from the Japan Youth Federation, a rightwing nationalist group, erected a lighthouse on the island to cement Japan's claim to the islands. The Japanese government did not oppose these moves and in August the Japanese foreign minister Ikeda Yukihiko stated the Japanese position on the islands: “The Senkaku Islands have always been Japan's territory; Japan already effectively governs the islands, so the territorial issue does not exist” (as quoted in Gries 2004: 122). These events lead to demonstrations in Hong Kong and Taiwan, but not in mainland China, where demonstrations were suppressed (Gries 2004: 122), likely for fear that demonstrations could make diplomacy more difficult for the PRC side or that demonstrations could turn on the CCP. Demonstrators went beyond just marching in the streets, with boats setting sail from Hong Kong and Taiwan on course for the island group. During one such expedition, David Chan of Hong Kong drowned after attempting to swim from the boat to one of the islands (New York Times 27.09.1996).

While demonstrations were suppressed in the PRC, nationalists were expressing their fury in writing, in print and online (Gries 2004: 122). China can still say no (1996) and Be vigilant against Japanese militarism (1997) both make policy recommendations that the CCP allowed to be published, even during such strained times. This suggests that the CCP was either in agreement with the sentiments expressed in the books, or that they had a hard time curbing such expressions of nationalism. Be vigilant against Japanese militarism goes as far as placing demands on government leaders “No Chinese should be willing or dare to relinquish sovereignty over Chinese territory, leaving a name to be cursed for generations” (as quoted in Gries 2004: 123). As this book came on the heels of the Diaoyu/Senkaku dispute of 1996, the message should be clear.

The government for its part, made it clear that economic interests would not be allowed to trump nationalist demands. He (2007a: 19) quotes a foreign ministry spokesman as saying: “Japanese loans to China will benefit bilateral trade and economic cooperation. Nonetheless, the Chinese government offers no room for compromise and will take whatever action necessary to safeguard China's territorial integrity and sovereignty”. Downs and Saunders (1998: 117) claim that economic legitimacy matters more than nationalism for Chinese leaders, implying that the CCP will clamp down on nationalism if it is seen as interfering with economic development. This seems a bit
optimistic, and there is reason to suspect that nationalism will become more and more costly to suppress (if that is what the CCP wants to do). As China grows, in economic and military strength, there is less incentive for the leadership to behave cautiously, and the cost-benefit calculation of restraint might change in favour of nationalism.

Why are these small islands of such great importance to Chinese (and Japanese) nationalists? First there is the obvious answer: natural resources. The islands are close to gas fields, and possibly also oil fields. So sovereignty claims are not just for some desolate rocks, but also for natural resources. But if this was all there was to it, why would the Chinese government risk upsetting bilateral trade and cooperation, which is already established, for the less certain potentials of oil drilling? The answer is already given by the foreign ministry: the PRC government cannot and will not make compromises when it comes to “China's territorial integrity and sovereignty” (as quoted in He 2007a: 19).

For nationalists, territory is of central importance. Recall Gellner's definition of nationalism as “[...] primarily a political principle, which holds that the political and the national unit should be congruent” ([1983] 2006: 1). Giving away territory in whatever way (through compromise with other nations, in war etc.) is unacceptable to the nationalist, it constitutes an attack on the nation-state. In the following, I look at another type of attack on the nation-state, an attack-by-proxy, as the Chinese embassy in Belgrade was bombed by NATO forces.

The 1999 Belgrade Bombing

At the end of the first period investigated in this chapter, an event occurred that brought Chinese nationalists out into the streets in full force. During the NATO bombing campaign in the former Yugoslavia, US bombs hit the Chinese embassy in Belgrade, killing three Chinese and injuring twenty-three others. As news of the bombing spread, Chinese started demonstrating against what they immediately saw as a deliberate attack from the world's sole superpower. In the days after the bombing, Chinese demonstrations in China turned violent in demonstrations the Economist called “[...] the most violent expressions of anti-Americanism in China since the cultural revolution [...] and the biggest street demonstrations since the Tiananmen protests a decade ago [...]” (13.05.1999). The demonstrations in Beijing were attended by a large number of Chinese, with the BBC estimating the number to be 100 000 demonstrators (09.05.1999). Xu (2001: 151) claims more than 170 000 people demonstrated in front of the American consulate in Chengdu.

Chinese anger was not restricted to Beijing, with demonstrators fire bombing the American
consul’s residence in Chengdu, and demonstrators chanting slogans outside a McDonald's restaurant in Guangzhou. Even outside China, Chinese were gathering to protest what they saw as a deliberate attack on the Chinese nation. Both in Rome and Chicago, Chinese took to the streets, using email to organize (Gries 2004: 14). The fact that Chinese outside the PRC were taking to the streets, beyond the reach of CCP propaganda and censorship, suggests that the outpourings both in China and abroad were motivated by a genuine sense of violation at the hands of the USA. Western media were quick to suspect the CCP of orchestrating the demonstrations in China (see e.g. BBC 09.05.1999 and CNN 09.05.1999), a notion that Gries disputes, pointing to the increasing role of ordinary Chinese in the direction and formulation of nationalism in China (2004: 18p.).

While the bombing and its intentions are the matter of much speculation, the central part of the event for my purposes is the certainty that most Chinese felt that the bombing was intentional, and the fact that American apologies were not communicated to the Chinese people. The first point has to do with the demand side of the marketplace of ideas: years of stimulating nationalist ideas was bearing fruit and the Americans were assumed to have bombed the Chinese embassy intentionally. The second point deals with the supply side: the CCP attempted to portray the event as an attack on China, and chose not to answer the telephone from the American President when he called to apologise. The apology, when it was eventually received, was not broadcast in the Chinese media, allowing the protesters to continue believing that the American side was unapologetic for the bombing. On the whole, the Chinese media acted not in the interest of fair reporting, but highlighted NATO violence, while concealing the ethnic cleansing taking place. Xu (2001: 157) point out that the Chinese media intentionally withheld information about the apologies issued by the US and NATO as well as claims that the bombing was accidental.

The general view of the US among Chinese seems to have shifted during the 1990’s, from admiration to distrust. Xu (2001: 157) cites a survey by the Youth Research Center of China that found that 50 % of respondents thought that American spiritual life was empty and that Americans had poor morals. This is a striking difference from the late 1980’s, which culminated with Chinese demonstrators in Tiananmen square carrying a “Goddess of Democracy” statue (Gries 2004: 6) in a generally pro-Western atmosphere. Young Chinese were likely to accept Western media accounts in the late 1980’s (Rosen 2009:361), a tendency that had clearly waned by the time of the Belgrade bombing. In the marketplace of ideas that was emerging as the 1990's drew to a close, ideas

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25 The Chinese government immediately condemned the bombing as a deliberate act, and the Chinese public agreed with that assessment. The American side claimed that the bombing was accidental, and that outdated maps were to blame. Later journalistic investigations into the bombing claimed that the bombing was indeed intentional, and that the Americans were targeting a radio transmitter used to communicate with Serb death squads (Guardian 17.10.1999; Guardian 28.11.1999).
produced domestically were getting a favourable hearing, and foreign ideas were viewed with more scepticism. That said, there were a number of developments that would test the CCP's control over the marketplace of ideas. In the following, I look at the most prominent of these developments, the growth of the internet.

The internet boom of the late 1990's

The internet bloomed relatively late in China, with about 2.1 million users in January 1999, a small number in a country of some 1.3 billion citizens. But that number exploded at the close of the 1990's, reaching 26.5 million users in July 2001 (Wu 2007: 7). The internet had not developed into a powerful social force, but that was to change in the next period, with the internet population of China reaching 420 million in June 2010 (CNNIC 2011). The early adopters of the new technology were nevertheless using it to express their nationalist sentiments to others online, in chat rooms, BBS (online Bulletin Board Systems), on web pages and in emails.

The attacks on ethnic Chinese in Indonesia in May 1998 provides an early example of the limited, but growing importance of the internet in the spread of nationalism in China. Amidst economic crisis, gangs of thugs attacked members of Indonesia's Chinese ethnic minority, killing and raping. One estimate puts the toll at 1200 dead and 168 cases of rape, mostly against ethnic Chinese (Wu 2007: 38). Official media in China did not mention the events at first, and it was not until July that newspapers reported on the events. The foreign ministry did not comment until July 15th (Wu 2007: 39). The Chinese government tried to stay out of the whole affair, most likely to stay true to the non-interference principle, a policy that backfired, as the government was seen as not living up to its commitments to Chinese. It is interesting to note that while the ethnic Chinese in Indonesia were for the most part not PRC citizens, many people in the PRC still felt that the PRC had obligations towards them.

While there were few internet users in China at the time, those who did have access used the internet both for getting information about events not covered by national media, and for expressing their views on both events in Indonesia as well as the official response (or non-response) to those events. Demonstrations were also organised using the internet. The events in Indonesia also showed that the CCP was still concerned about demonstrations, suppressing both news from Indonesia, as well as banning demonstrations after the news leaked.

One curious effect of the events in Indonesia was how governmental control over

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26 Non interference was adopted by the PRC in 1954 as one of the Five Principles of Peaceful coexistence. Non interference basically means that the PRC will not interfere in other countries internal affairs (and, on the flip side, the PRC government expects and demands that others not interfere in it's internal affairs).
information was slipping, and backfiring on the CCP leadership. When the Chinese government withheld information from ordinary Chinese, this led tech-savvy Chinese online to hunt for information. The problem with online information, then as now, is that much of what is found online is not true or accurate. Much information on the Indonesian riots and the ethnic Chinese victims was not true, using pictures from other episodes in lieu of pictures on the ground in Jakarta (Hughes 2000: 204). By attempting to monopolize (and block) information, and by not allowing demonstrations to take place, the CCP ironically lead Chinese nationalists online, both for information (which was not always accurate) (Hughes 2000: 205) and for venting (perhaps using stronger words than they would have used in a regular demonstration). Attempting to defuse the situation by suppressing popular outrage, the CCP left themselves open to criticism of their nationalist credentials (Hughes 2000: 205). The CCP tried to censor news about the situation in Indonesia, but eventually the official silence on the issue was broken by mainland newspapers (Wu 2007:39). Once the cat was out of the bag, the CCP could not stop the news from spreading, a clear indicator of the decline of the CCP's control over the marketplace of ideas.

What is important to remember when looking at this event some 12 years after it happened, is that the internet was a different thing back in 1998, even more so in China than in Europe and the US. The China Internet Network Information Center claims that there were about 620 000 internet users in China in October 1997 (Wu 2007: 35). Not many people had access, and the biggest group was students and the average level of education was at the college level (Dai 2000:189). The best and brightest in other words. What is illuminating is that even at this early stage the picture that emerges is not of the internet as a place for rational debate, but as a bazaar for rumours and hearsay. The internet may allow users to read about democracy, but it also allows for endless hours spent looking at videos of pandas and pornography.

The growth of the Chinese internet should be understood as an expansion of the marketplace of ideas, allowing more producers to bring their ideas to market. In other words, the growth of the internet lowers the barriers to entry for new producers (after all, anyone with a computer and internet line can produce their ideas and spread them on their blogs and on social networks). The interference of the CCP censorship apparatus should be understood as a market distortion, a distortion that plays out online as well. I return to this theme in the next chapter, where I analyse the effect of the growth of the Chinese internet as this development is increasingly important for understanding the growth of Chinese nationalism in the 2000's.
China 2000-2010

This chapter provides the empirical data for testing the two hypotheses under investigation in this thesis. To recapitulate: my primary hypothesis is: *nationalism will increase as the Chinese state retreats from the marketplace of ideas*. My competing hypothesis is: *nationalism will decrease as the Chinese state retreats from the marketplace of ideas*. I first describe the overall state of the marketplace of ideas in China in the period 2000-2010, before testing if nationalism spreads as the marketplace of ideas liberalized. To test the hypothesized relationship between the marketplace of ideas and nationalism I use events that sparked nationalist outbursts, analysing how the marketplace of ideas reacted to these events, both in terms of demand and supply.

In the aftermath of the Tiananmen Square massacre, the Chinese leadership was faced with a crisis of legitimacy. Their solution, as the previous chapter shows, was to foster nationalism in schools, in museums and by allowing the airing of nationalist ideas in the national marketplace of ideas. Increasingly, nationalism was demanded by the consumers of ideas, a demand that both traditional media and the internet were willing to cater to, both to gain political influence and to make a quick buck. As nationalism is increasingly demanded and supplied, the CCP has to consider domestic nationalist sentiments in its policies. This does not mean that the CCP is more democratic. What it means is that the CCP must increasingly frame its policy in nationalist terms, and must portray itself as the defender of the nation. This goes beyond putting a nationalist spin on policy: the substance of CCP policy will become more nationalistic as it is demanded by the population at large.

What was the status of the marketplace of ideas in the period from 2000 to 2010? Perry Link (2001) suggested that the censorship apparatus in China is not a “man-eating tiger or fire-snorting dragon”. The censorship is more effective (that is, the cost is lower and the effect higher) if people censor themselves, without heavy handed tactics from the government. Chinese censorship is like a giant anaconda, hanging in a chandelier. The anaconda does not, in most cases, have to strike. It relies on deterrence, using a few visible strikes to deter unwanted speech. This foster self-censorship. This development accelerated in the 2000's, and the Chinese authorities rely increasingly on self-censorship, especially in areas that are hard to police (such as the internet).

This was the backdrop for the liberalization of the marketplace in the 2000's. There were few (if any) independent institutions to scrutinize policy proposals and the government could still suppress ideas not to their liking. But there were signs that the marketplace was liberalizing, and that this allows nationalist elites (both from the CCP and from other quarters) to spread nationalist
ideas. The more general trend of a liberalizing marketplace of ideas, can be seen in the coverage of the Sichuan earthquake in 2008. The government banned reporting on the rescue efforts, but eventually some journalists and their editors flouted the ban (New Yorker 20.07.2009). The reason why newspapers got away with such behaviour varies: in the case of Caijing, a independent journal, much of the reason is likely that the editor has connections with high-level Party officials (New Yorker 20.07.2009) and fairly low circulation numbers (225 000 according to their own web page) (Caijing.com.cn no date). This translates into a marketplace in which the editors and journalists have to be ever conscious of how their ideas will be received by the political leadership. It also points to a weakness in the Chinese censorship system: personal connections can in some cases override the institutions of censorship. Personal connections, known as guanxi in Chinese, can in some cases shield suppliers in the marketplace from punishment. Also unclear is what would happen to Caijing and similar publications if they were to grow? Most likely this would make the CCP leadership anxious to control the publications, rather than let them continue with their independent reporting. This would likely make it more difficult for suppliers to hide behind personal connections.

Another interesting development is the growth of international media. Chinese authorities worked hard to keep foreign media out of China in the late 1980's and early 1990's, trying to limit the market share for news and ideas that the censorship apparatus could not control. The effect, according to Rosen (2009: 361p.), was that domestic news outlets became less trusted. By censoring foreign news and ideas, Chinese became sceptical of domestically produced news. In the late 1990's and the 2000's the marketplace was opened up, and foreign media let in. This lead to an increase in the credibility of domestic media at the expense of foreign media. As the illusion of free reporting and competition in the marketplace takes hold, domestic media gain credibility, as they are seen as competing with other news sources. In the 2000's, Western media reports on the other hand, are viewed “[...] sceptically by well-educated, well-informed young Chinese, who assume that such reporting is merely attempting to further a pro-Western agenda” (Rosen 2009: 362).

Snyder and Ballentine's theory of the marketplace of ideas in democratizing states is apt for the Chinese case in the period from 2000 to 2010: “The marketplace of ideas in newly democratizing states often mirrors that of a young, poorly regulated industry, where barriers to entry are falling, competition is imperfect, and oligopolistic elites exploit partial media monopolies in intense competition to win mass support in a segmented market.” (1996: 14). While China is not on the road to democratization, the marketplace of ideas in China does exhibit these characteristics: barriers to entry is falling, competition is imperfect and oligopolistic elites (e.g. CCP and factions...
within the CCP) are exploiting their partial monopolies and powers of suppression to win support. Furthermore, the marketplace is poorly regulated, with elites who compete in the marketplace also being in control of the institutions of the marketplace (either directly or indirectly).

Nowhere are these characteristics more visible than in the growing Chinese internet. The growth of the Chinese internet marks a vast expansion of the marketplace of ideas and is an arena that the CCP is trying to control, with increasing difficulties. The rest of this chapter follows this plan: First I show how the Chinese internet has expanded the marketplace of ideas, and how the internet is a highly efficient forum for spreading nationalist ideas. I then turn to how the CCP is attempting to censor the internet. Following the part of this chapter that deals with the internet, I turn to the 2001 spy plane incident, before revisiting the Diaoyu/Senkaku issue.27

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27 The reader might object that I should have included the 2005 anti-Japan demonstrations. These are excluded from the analysis due to space constraints. The demonstrators in 2005 were protesting Japanese schoolbooks said to whitewash Japan's wartime conduct and Japan's attempt at gaining a permanent seat at the UN Security Council.
It seems fitting to open this chapter with a discussion of one of the most important differences between the 1990's and the 2000's, the growth of the Chinese internet. As I mentioned in the preceding chapter, the internet grew from 2.1 million users in January 1999 to 26.5 million in July 2001 (Wu 2007: 7). This growth continued and the newest numbers show that China had an internet population of 420 million in June 2010 (CNNIC 2011). The number of broadband subscribers is also on the rise. At the end of 2005, 30 million households were connected to the internet via broadband (Kshetri & Dholakia 2008: 842). That number increased to 364 million by June 30th of 2010 (CNNIC 2011). The average internet user (as of June 2008) was likely to be below thirty years old, be either a student or at the start of his/her career, had internet access at home, and visited blogs, news pages and internet community pages (Tok 2010: 23). This was less true at the very end of the period, with the age of the average user going up, and the average level of education slowly going down. In 2010, 41% of Chinese internet users were over 30 years old and the level of education for the average internet user went down. 27.4% of Chinese internet users were located in rural areas in mid 2010 (CNNIC 2010).

The more widespread adaptation of internet access means that a larger number of people are able to consume, and in many cases produce, ideas in the marketplace of ideas. The internet opens up the door to a more diverse set of producers than are available in the pre-internet era, as well as allowing new producers of ideas to reach a larger audience.

The deeper internet penetration that broadband represents, means that Chinese internet users are able to access the internet at all times. Rather than having to dial up and pay for time spent, broadband allows users to stay connected at all times. With constant access, users naturally spend more time online. The instantaneous nature of the internet is further enhanced with constant access. The result is that information and ideas can be traded much faster than was the case in the pre-internet era. For present purposes, it means that nationalist ideas and demands can spread from Shenzhen to Beijing to Ürümqi in a matter of minutes. This was much more cumbersome when using newspapers and the telephone. Internet communication is faster than the newspaper, and it allows for the simultaneous communication to millions of people (unlike the telephone). Calling different activists to organize a demonstration takes time: posting a message to a widely read blog, mailing list or web page takes little time, since the network repeats the message for the activist. The

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28 According to the CNNIC (2010), 24.3% of internet users had education beyond senior middle school in December 2009. This percentage was down 1% in June 2010, with 23.3% of internet users being educated beyond senior middle school.
The internet expands the marketplace of ideas, while at the same time making it easier to imagine the national community. As such, the effect of the internet is similar to the effect of the printing press on nationalism, as described by Anderson ([1983] 2006).

The internet provides a good platform for disseminating nationalist ideas, as well as organizing protests in the streets. While the suppression of free speech in China is a well known phenomena, not all speech is suppressed. “Patriotic” and nationalist speech is rarely suppressed, unless the CCP feels it is turning into a threat against the regime (MacKinnon 2008: 33). Often the nationalism expressed online is a good bargaining chip for the regime.

One example of the regime using nationalism to it's own advantage in the early 2000's, was the online reaction to US preparations for the invasion of Iraq. Chinese nationalists were outraged at the prospect of the US invading Iraq, protesting against Washington's plan for the “high-tech slaughter of defenseless Iraqi people” (as quoted in Lam 2006: 214). This was a advantageous position for Beijing. First, by not suppressing online anger at the US, the CCP could claim to let people speak their mind. Second, by allowing the airing of such grievances, the CCP leadership hoped to boost its nationalist credentials, and distancing itself from the US. And third, on the diplomatic front, Beijing could claim to be bending over backwards to help the US in the fight against terrorism, by promising not to use China's veto power in the UN security council on the subject of an invasion of Iraq despite domestic opposition (Lam 2006: 214).

The USA is both revered for their advanced economy, and mistrusted for their foreign policies (as the above is one example of). The Chinese impression of the US is decidedly bifurcated: on the one hand, the US is admired for its strong economy, its strong military and advanced technology. On the other hand, American “hegemony” and “imperialism” infuriates many Chinese.

In a poll conducted in 1995 respondents were asked which country they most associated with the words “wealthy” and “strong”. 41.6 % associated the US with “wealthy”. 67 % said they most associated “strong” with the US. These values had risen to 76.2% and 82.6% respectively, in 2003 (Pan 2010: 132). Clearly, the US is making an impression on Chinese, and this sentiment is on the rise. But just because Chinese feel that the US is wealthy and strong, this does not automatically translate into respect or feelings of friendship towards the US. What matters, is how Chinese perceive American intentions and actions.

In the previous chapter, I showed how large groups of Chinese rejected the American

\[29\] A caveat is in order with these statistics. Pan (2010) does not give the sample size, nor how the sample was selected. I tried accessing the web page of the polling company on 19.03.2011, but their web page was down. The same caveat applies to the poll below (Pan 2010: 133) on the Iraq war.
explanation for the Belgrade bombing. While such a spectacular event as a bombing might be a special case and thus may not reveal much about the real perspective Chinese have on the US, other evidence points to the same conclusion: Chinese are less trusting of the US, and oppose what they perceive as American hegemony and unilateralism. The Iraq invasion of 2003 was widely opposed by Chinese. In a poll by Horizonkey group (quoted in Pan 2010: 133) 79.7% of respondents were opposed to the war in Iraq, and 8.2 % supported it. These numbers suggest a few things. First, the Chinese government policy of non-interference seems to have widespread support in the Chinese population. Secondly, or perhaps alternatively, American intentions are not seen as benign. The American rhetoric in the run up to the war was either not convincing to the Chinese, or the Chinese people support the non-interference principle. Either way, the war in Iraq reinforced Chinese mistrust of the US.

For my purposes, the internet represents a vast expansion of the marketplace of ideas while bringing a new dynamic to the marketplace. The internet is different from traditional media in a few ways. The most obvious one in the Chinese case is the censorship of the internet. Censoring the internet is more difficult than it is to censor traditional media and channels of communication. But that does not preclude the CCP from trying, and in many cases succeeding, in suppressing ideas and information deemed subversive.

**Internet Censorship in China**

“China has devoted extensive resources to building one of the largest and most sophisticated filtering systems in the world. […] the Chinese government has undertaken to limit access […] by pursuing strict supervision of domestic media, delegated liability for online content providers, and increasingly, a propaganda approach to online debate and discussion.” (Opennet.net 15.06.2007).

A crucial question that I have thus far not spent much time on is the censorship of the internet by various governmental agencies in China. While the assertion that the internet is censored in China has become something of a truism, there are the more pressing questions of how extensive this censorship is and how the censorship is applied. The following shows that the internet is extensively censored, but the censorship is selectively enforced. Broadly speaking, the governmental apparatus is willing to look the other way if the message is not seen as a threat to the regime. This is of course a broad category, and one that the authorities will assess on a case-by-case basis. More importantly, messages that are framed in terms of patriotism or nationalism are more likely to go uncensored (provided, of course, the message is not also anti-CCP).
Just how extensive is the Chinese governmental censorship apparatus? While the internet was originally envisioned to be free of censorship, the CCP started to take notice of the potential for political opposition that was inherent in the unregulated internet. Their answer was to attempt to make the Chinese internet experience more “wholesome”, by deploying units charged with regulating the internet. These units are connected to the local law enforcement and allow the government to monitor and stop unwanted activity both in web searches, email and online chat rooms (Lam 2006: 230f., Wu 2007: 59f.). The use of internet censors seems to work with regards to regular users, who lack the technical proficiency needed to bypass censorship (such as connecting to proxy servers outside of China, using VPN and other technical solutions that are generally outside the comfort zone of most regular users). The CCP approach to controlling the internet should be seen as a form of centralized regulation. Centralized regulation means that government officials and government agencies control access to media and lay the ground rules for its use (Snyder and Ballentine 1996: 23). The opposite, decentralized regulation, is achieved “ […] through routines of professional behavior in institutions such as the professional media, universities, think tanks and legislative oversight bodies” (Snyder and Ballentine 1996: 23). Decentralized regulation is generally preferable, if the goal is a well functioning marketplace of ideas, since this makes it harder for the state and the political elites to use their regulatory power to create a media monopoly (Snyder and Ballentine 1996: 23). In China, the censorship apparatus regularly intervenes in the marketplace, sending out detailed guidelines and directives to editors and journalists on which stories to cover and which stories to downplay or not report at all (Washington Post 13.04.2011).

Censoring the internet can be divided into two tasks: first, preventing the spread of unwanted information on the Chinese internet (domestic censorship). Second, preventing access to unwanted information originating from the non-Chinese internet. The first is the most pressing task, and it is also the potentially easier of the two. The second one relies on the filtering of what enters the Chinese internet from the outside world. While the access to the larger internet can be done with automatic filtering, it can also be bypassed by tech savvy users who bypass the so-called Great Firewall of China (Guardian 05.08.2008). Policing the domestic internet is easier if for no other reason than the police being able to persecute those who attempt to spread unwanted information. During the Diaoyu dispute with Japan in 2010, the police in Shanghai detained and warned a young man not to demonstrate (Asahi.com 20.09.2010), showing that policing the internet, even late in the period under investigation was possible. At the same time it is not clear how long this is a viable strategy. As the Chinese internet population grows, the police manpower needed to police the internet grows too.

Domestic censorship is done with the aforementioned police units charged with censoring
the internet. Lam (2006: 230) estimated 50,000 “cyber-police men” were busy trying to censor the internet in the early 2000's. This effort was led by the Ministry of Public Security and the Ministry of State Security, who recruited IT graduates who had studied overseas to help police the internet (Lam 2006: 231). It seems very likely that the number of police charged with policing the internet has increased since then, but so has the online population. With an online population of about 26 million to police in 2001, 50,000 policemen already have quite a few subjects to control (the ratio of police to internet users was 1:520)\(^{30}\). With the internet population at 420 million in 2010, the government would have to recruit about 800,000 “cyber-police men” to achieve the same ratio of police to internet users\(^{31}\). Eventually, the internet population will become too big to effectively control using manpower alone. Much of the censorship is of course done with the help of computer programs, but there is still a need for manpower to effectively police the internet. In addition to police and other governmental employees working to censor the internet, privately run chat rooms also hires staff to censor what their users write, in addition to deploying software filters to filter out sensitive keywords (Hachigian 2001: 124). With such cooperation, the censorship becomes much easier for the government. Couple this with a mandatory registration process for bloggers (Online Journalism Review 21.06.2005), and censorship is implemented on three levels: first censorship in the traditional way (by government agencies), then self-censorship on the part of service providers (in web hosting, chat rooms, internet forums etc.) and finally self-censorship on the part of the producers of new ideas. The anaconda in the chandelier is alive and well.

Finally, there might not be a need for a heavy handed approach to internet censorship in most cases. Most Chinese do not use the internet for political news or other potentially “dangerous” information. Rather, they are using the internet for entertainment (MacKinnon 2008: 33), lessening their chance of getting in contact with ideas that the Party wants to keep from the public. Furthermore, there is some evidence that the Chinese people support the government “control” of the Chinese internet. Over 80% of respondents said they think the internet should be managed or controlled, and 85% would like the government to be responsible for doing so (Fallows 27.03.2008)\(^{32}\). It should be noted that another study, by the same team as the one Fallows refers to, found that only 8.2% of respondents wanted chat rooms controlled, and only 7.6% wanted political content controlled (CASS Internet survey 2005)\(^{33}\). Pornography was the content most wanted

\(^{30}\) The ratio in 2001 was 50,000 / 260,000,000 = 1:520 (police/internet users).

\(^{31}\) To maintain the ratio 1:520, 520 / 420,000,000 = 807,692.

\(^{32}\) Caveat emptor: Fallows (2008) does not give sample size and other relevant metrics, but refers to the original study conducted by the Chinese Academy of Social Science (CASS). Sadly, I could not find the original study online.

\(^{33}\) The sample size was 2367, with 1169 internet users and 1207 non-users. The respondents lived in five major Chinese cities (Beijing, Shanghai, Changsha, Chengdu and Guangzhou) (see CASS Internet survey 2005 for more information).
controlled (84.7%) and political content was the category fewest people wanted controlled (7.6%) (CASS Internet survey 2005). Internet controls in general seem to have strong support among Chinese, with 80% wanting some degree of control of the internet (CASS Internet survey 2005).

The fact that the Chinese population seems to have such differentiated views on what content should be controlled, gives the CCP room to manoeuvre. By claiming to keep the Chinese internet free of pornography, the CCP censorship apparatus likely gains more legitimacy among Chinese. Liu Zhengrong, deputy director of the State Council Information Office's Internet Bureau, compared China's censorship to European and US attempts at protecting minors from pornography (Inquirer.net 24.01.2009), in an attempt to shore up support for the censorship regime. While many countries ban at least some forms of pornography, most do not go beyond pornography. Attempting to defend censorship by saying that others are engaging in a milder, less comprehensive form is a weak argument. However, if the audience is very much against pornography (as the Chinese seem to be) it might be an acceptable trade-off: censor the things we don't like, and we will accept censorship of some of the things we do like.

On the supply side of the market, there is extensive self-censorship, encouraged by various governmental decrees. Hachigian (2001:123) suggests that self-censorship on the part of online providers is the primary way of censoring the internet. By issuing vague regulations that are selectively enforced, the government has found an efficient way of regulating online communication at a low cost to state coffers. In January 2000, a ban on transmitting “state secrets” was issued, followed by various regulations issued in October of 2000 banning transmission of “[...] content that subvert state power, 'disturbs social order', undermines reunification efforts with Taiwan, spreads rumours, 'preaches the teachings of evil cults', distributes 'salacious materials', dispenses pornography, slanders others, or 'harms the honor of China'” (Hachigian 2001: 124). This approach to censorship was evident in the whole period, and in October 2010 an amendment to the state secrets law was scheduled to take effect, further requiring network operators to comply with police and other regulators of the Chinese internet (New York Times 29.04.2010). The amendment defines “state secrets” vaguely as “information that, if disclosed, would damage China’s security or interests in political, economic, defense and other realms” (New York Times 27.04.2010). When self-censorship is not enough, the censorship apparatus will step in and shut down the offending supplier, as in the case of the internet forum, Century China that was shut down in 2006 for “illegally [providing] Internet news without proper qualifications” (Link & Yu 2006). The Century China forum was, according to Link & Yu (2006): “[China's] most liberal and influential marketplace of ideas and information otherwise extremely difficult to obtain in China”. By targeting such forums, the government clearly distorts the marketplace.
These guidelines are very broad, and are meant to deter suppliers of ideas from deviating from the Party line. Revealing “State secrets” is a serious offence in any country, but it is less than obvious exactly what is and what is not a state secret in China. In theory (and lamentably often in practice), state secrets could be just about anything the CCP would like to keep under its hat. By banning content that “undermines reunification efforts with Taiwan” and content that “harms the honor of China”, the CCP is staking a claim in the ongoing nationalist narrative, denying anyone that fails to toe the nationalist line a hearing.

There is also evidence of market segmentation, as regulations from November 2000 force online publishers of news to only republish material from official sources and such publishers must be duly licensed (Hachigian 2001: 124). This gives the CCP and its government a good grip on the output of the officially sanctioned news outlets in the Chinese internet. There are certainly actors online that escape the official censorship apparatus by operating in a grey zone, such as bloggers. These small scale producers of ideas are harder to censor, and are one of the more difficult challenges to CCP attempts at dominating the discourse.

Microblogs, similar to Twitter and called weibo in China, are perhaps the biggest online challenges to the censorship apparatus and they are becoming very popular, with about 120 million users in 2011 (Washington Post 28.03.2011). Microblogs have become a place to discuss taboo topics online, and the government is more lenient about what they censor. The growth of weibo is a particular challenge to the censors since the messages are disseminated quickly, the number of users has grown very fast and the technology is cutting edge (Washington Post 28.03.2011). The government is having a hard time keeping up. There is of course also advantages for the government in allowing these microblogs to flourish: microblogs give China's leaders a peek into what their citizens are debating, giving the leadership a way to assess popular opinion (New York Times 15.05.2011).

Overall however, this is a most depressing state of affair for those who advocate free speech, and equally so for my analysis: this is a perfect way for spreading nationalism on the Chinese internet. The market is segmented and Chinese internet users trust domestic news sites more than they do foreign news sites (CASS internet survey 2005). As a consequence of the control and censorship imposed on domestic media in the PRC, this trust in domestic media translate into trust in the governmental narrative of events. Foreign media is either blocked, or in the event their stories make it into the Chinese market, they are less trusted.

The censorship and self-censorship that is so widespread in the Chinese internet should not

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34 The New York Times estimates that the number of weibo users is almost double that, 220 million (New York Times 15.05.2011).
be understood as equal to total control over content. Obviously, anti-CCP content will be censored (or self-censored). But content that is wrapped in nationalism is more likely to be allowed through. The CCP cannot afford to appear to be seen as censoring those who profess to be defending the Chinese nation except when the Party or its legitimacy is on the line. There is demand for nationalist ideas online, and there are plenty of suppliers. In the following I show how the liberalising marketplace of ideas encourage nationalism, both on the supply side and the consumption side. To do this, I will look at incidents that shook the Sino-American and the Sino-Japanese relationships.

The 2001 Spy Plane Incident

The 2001 spy plane incident erupted close to the Chinese island of Hainan on April 1st. An American surveillance plane was on mission over the PRC Exclusive Economic Zone (EEZ) when a collision occurred between the American plane and a Chinese fighter jet scrambled to intercept the American spy plane. As a result of the collision, the Chinese plane crashed, killing the pilot. The American plane made it to Hainan Island, where the crew was detained. The American crew was released on April 11th after the US issued a letter to the Chinese government. The cause of the collision, the legality of the American manoeuvre in China's EEZ and the meaning of the letter are matters of dispute.

The cause of the collision itself is somewhat unclear. The two sides had different views on the causes for the collision. The Chinese Foreign Ministry was clear enough: “The United States should take full responsibility, make an apology to the Chinese government and people, and give us an explanation for its actions” (as quoted in Gries 2004: 1). The US first called the collision an “accident” (BBC 24.05.2001), while Admiral Dennis Blair claimed that the Chinese were at fault: “It's not a normal practice to play bumper cars in the air” (BBC 24.05.2001). Regardless of whether the American pilot or the Chinese pilot was to blame for the collision, both sides were adamant that they had done nothing wrong.

The two sides quickly dug in their heels, with the Chinese demanding an apology, and the Americans denying any wrongdoing. On April 4th the Chinese president Jiang Zemin told Xinhua news agency the US “should bear all responsibilities for the collision incident” (as quoted by BBC 24.05.2001). The American side did not agree, claiming at various points that this had been an accident or that the Chinese pilot was careless or aggressive. Whatever the facts of the matter, the incident quickly became a tug of war, where the Chinese wanted a formal apology, and the
Americans refused to apologize.

In the end, a letter was sent from the American side. The wording of this letter became the center of the negotiations. The Americans wanted a wording that did not imply that they held responsibility for the accident, while the Chinese wanted an admission of guilt. The wording became known as the “two 'very sorrys’” (Gries 2004: 109). In the letter, the US ambassador to China, Joseph Prueher, expressed the US “sincere regret” over the loss of the Chinese pilot's life. The US was “very sorry” for entering Chinese airspace and that the landing did not have verbal clearance. The US also asked the Chinese government to communicate to the Chinese people and the pilot's family that the US was “very sorry for their loss” (Salon.com 12.04.2001).

The wording was intentionally ambiguous, and was tailored so that both sides could sell the aftermath of the incident as a diplomatic victory to domestic audiences. The Chinese still had the Belgrade bombing fresh in mind, and the CCP could not afford to appear soft on the issue. The American initial refusal to apologize angered the Chinese, who placed the blame squarely with the American side. The People's Daily warned: “US' officials' rhetoric about Chinese culpability is more dangerous than the collision itself” (as quoted in Gries 2004: 111). This seems accurate: the collision itself could have been handled better, and might not have escalated as much as it did. The Americans were offended that the Chinese did not release their crew immediately, while the Chinese were outraged that the Americans would not accept blame for the incident.

In the aftermath of the incident and its resolution, the CCP top leadership had to portray the events as a victory for China. Surveys were conducted among students and workers to gauge the public reaction to how the issue was handled. These surveys showed that the respondents were not happy with how the negotiations in the aftermath of the crash had been handled (CNN.com 17.04.2001). The CCP leadership had two different goals to pursue at the same time. On the one hand, they had to satisfy domestic demands for an apology, and restore Chinese hurt pride. On the other hand, they could not afford to good too far and risk appearing petty or vindictive to international audiences. Crucially, the CCP leadership did not want the episode to get out of hand and hurt Sino-American relations on other issues, such as Taiwan. The episode shows the emerging dynamics of the 2000's: the government can no longer afford to ignore popular nationalist demands.

The issue of apologizing is interesting, and it tells much about how events are remembered. As I noted above, the Chinese had vivid memories of the American's bombing their embassy in Belgrade less than two years earlier. Had the Americans admitted that their pilot was culpable immediately, the Chinese perception of Americans and American intentions in the future, would likely have improved. Lind (2008:11) suggests that as one country seeks to determine the current
(or future) intentions of another country, they are “likely to observe how that country remembers past violence”. The past is both near and long term, and the Chinese experienced two episodes in the near past in which Chinese were killed by (at least according to the Chinese perception) American violence. In the aftermath of the Belgrade bombing, the Americans were first of all not believed in their claim that the bombing was accidental. Their attempts at apologising were blocked by Jiang Zemin's refusal to accept the call from Bill Clinton. Chinese media drew parallels between the bombing of the Belgrade embassy and the spy plane collision, with China Daily publishing a cartoon depicting the American spy plane on Hainan island. The speech bubble said “It might be due to another map error” (as quoted by Abcnews.go.com 04.04.2001). This feed right into the victimization narrative, in which the Chinese nation is victimized at the hands of foreigners. While this might help the China Daily sell newspapers, it was not what the government wanted to emerge at the time, since too overt expressions of nationalism could hurt their bid for the Olympic Games. The government also censored some comments made online, for fear of an escalation of the situation (Abcnews.go.com 04.04.2001). The CCP could not afford to appear weak in front of domestic audiences, but they knew that riots such as those following in the wake of the Belgrade bombing could put a dent in the bid for the Beijing Olympic Games. In Chinese popular opinion, the Americans had already shown that they were slow at apologising (if they apologise at all). The delay between the incident and the letter of “Two very sorrys” made the American side seem insincere and calculating.

As the above shows, the relationship between China and the US is highly dependent on the state of the marketplace of ideas. A freer marketplace of ideas allows more suppliers to compete over consumers, and they will often appeal to nationalism to do so. A freer marketplace will also make it more difficult for the CCP to control the discourse, and could force them to follow costly nationalist policies demanded in the market. In the following, I analyse how the territorial dispute over the Diaoyu/Senkaku islands continued to simmer in the 2000's.

The Diaoyu/Senkaku Islands Redux

The Diaoyu/Senkaku dispute was a hot issue in the 1990's, and continued to be so in the 2000's. There were a number of incidents in the 2000's and I will briefly review them, before looking at the latest of these incidents in 2010. The issue itself had not changed much since the 1990's, but the marketplace of ideas had changed since that time, forcing the CCP to handle the issue in a more flexible way.

The Island dispute was a festering dispute and demonstrators from both China and Taiwan
attempted to land on the islands as they had in the 1990's. In 2003, demonstrators from China attempted to land, but failed. In 2004, seven Chinese activists were arrested by Japanese police after spending ten hours on the islands. This led to Japan lodging a complaint with Chinese authorities. The activists were later deported (Globalsecurity.org 2009).

The dispute further escalated in 2008, when the fishing boat Lien Ho of Taiwan, sank after a collision with the Japanese Maritime Self-Defense Force vessel Koshiki. There were no casualties, and the sport fishers on board were swiftly deported, while the crew was detained by Japanese authorities (Chinapost.com.tw 11.06.2008). The crew was later released (Taipei Times 18.06.2008). In the end, the Japanese government paid NT$ 10 million (US$330 000) in compensation following the release of video showing the Japanese boat bumping the boat from Taiwan (Atimes.com 05.10.2010).

The last development in the dispute came September 7\textsuperscript{th} 2010, when a Chinese fishing boat collided with two Japanese coast guard cutters in succession. While there were no injuries, and little material damage to the vessels, the incident quickly grew into a major bilateral issue between China and Japan. There were definite similarities between the 2008 and 2010 incidents, but also crucial differences.

As in 2008, the Japanese coast guard detained the crew of the Chinese fishing boat. However, in the 2008 incident, the crew was released swiftly. The owner of the boat was released after three days (Taipei Times 18.06.2008). In the 2010 incident, the bulk of the crew was released on the 13\textsuperscript{th} of September (Guardian 13.09.2010), while the captain was kept in jail for 18 days and was released on September 24\textsuperscript{th} (Guardian 27.09.2010). This delay allowed the situation to escalate, with the Chinese vigorously protesting the detention. Furthermore, by attempting to use their legal system to deal with the situation, rather than just deport the captain, the Japanese were attempting to strengthen their claim to the islands. By showing that they had effective jurisdiction over the islands, Japan's claim to sovereignty would be strengthened.

A crucial difference between 2008 and 2010 was the fact that the collision was blamed on the Chinese captain, who was accused of deliberately ramming the Japanese vessels. Japanese lawmakers were shown video footage from the collisions, and blamed the Chinese boat for the collision (Japan Times 02.11.2010). The footage was also leaked on Youtube (05.11.2010). The Japanese lawmakers clearly felt that the captain should be held responsible (Japan Times 02.11.2010), and that the Japanese state should hold him responsible. This would, hopefully for the Japanese side, deter similar behaviour in the future, while at the same time strengthen Japan's claim to the islands. The Chinese government wasted no time in lodging their complaint, and
demonstrations erupted in Chinese cities. Four Japanese Fujita employees were arrested in China, in a move seen as retaliation against Japanese detainment of the Chinese fishing crew (Amako 25.10.2010).

There were demonstrations in different cities, spread over much of China. On the 18th of September, demonstrators gathered outside Japanese embassies and consulates in China to protest. Protesters held banners drawing historical parallels between the Japanese actions in 2010 and the Japanese invasion of China: "Don't forget national humiliation, don't forget September 18." The demonstrations did not lose steam, and protests continued into October. In Chengdu thousands of students gathered on the 13th of October with banners and shouting nationalist slogans: “Defend the Diaoyu Islands” and “fight Japan”, and handing out flags to bystanders (China Daily 18.10.2010). In Xi'an more than 7000 demonstrators marched, shouting slogans like "Diaoyu Islands are Chinese" and "Boycott Japanese goods". The demonstration in Xi'an was mostly peaceful, but some protesters tried breaking into a Japanese sportswear shop, and the riot police had to restrain them. There was also a demonstration in Zhengzhou (China Daily 18.10.2010).

Many of the demonstrators told China Daily that they had heard about the demonstrations on the internet (China Daily 18.10.2010). In Chengdu, posters were distributed in advance of the demonstration to urge people to join (Chengduliving.com 18.10.2010). In the wake of the collision, Chinese turned to the internet for information. “Diaoyu Islands" and "Zhan Qixiong" (the name of the Chinese captain) became the most popular search words in the Chinese internet after the collision (China Daily 21.09.2010).

The Chinese government clearly feared that the demonstrations could get out of hand, and there were signs that suppressing these demonstrations was becoming more difficult than it had been in the 1990's. In Shanghai, a young man who posted a message online urging others to meet outside the Japanese consulate to protest against Japan was warned by the police not to demonstrate. The police told him he would he held responsible should the crowd turn violent (Asahi.com 20.09.2010). QQ, a chat program similar to ICQ and Microsoft messenger, was also used to organise demonstrations (Japan Times 27.02.2011). The police clearly had an eye on the debate online, and was able to identify users posting online. The editors of the web page “www.cfdd.org.cn” (a Diaoyu advocacy page) were also warned not to organize demonstrations.

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35 September 18th 1931 is the date of the Mukden incident, a plot by the Japanese army. The Japanese army staged an explosion near a Japanese rail road line near Mukden (present-day Shenyang) as a pretext for invading Manchuria.

36 The exact number is difficult to pin down: China Daily (a state run newspaper) claims “more than 2000” students showed up in Chengdu to demonstrate (China Daily 18.10.2010). A web page run by Americans living in Chengdu claims an estimated 35 000 demonstrators showed up (Chengduliving.com 18.10.2010) (they also provide photographs that suggest many more than 2000 showed up).
Well known activists working against official corruption were detained or warned not to participate in demonstrations (Lam 2010). The Chinese government is not opposed to nationalist demonstrations *per se*, but it is mindful of these demonstrations escalation beyond their control or that these demonstrations could turn into something else. If a demonstration starts out as a nationalist demonstrations, it could very well end as a demonstration protesting corruption among officials or some other issue which the CCP would like to keep of the streets.

In 2010, the Chinese government also showed that they would definitely not let economic considerations stand in the way of their claim to the Diaoyu/Senkaku islands, and one way to signal this was rare earth minerals exports. China supplies more than 95% of the world supply of rare earth minerals (Economist 30.09.2010), and as such enjoys a virtual monopoly. Japan and other exporters of high-tech products are dependent on rare earth minerals, and hence also dependent on Chinese exports. In the wake of the 2010 Diaoyu/Senkaku dispute, China suspended exports of rare earth minerals to Japan, likely to punish Japan for detaining the skipper of the fishing boat and for the dispute itself. The export ban was never officially announced, but widely reported by international media (BBC 24.11.2010; Economist 30.09.2010; New York Times 19.10.2010). China likely deliberately choose to be coy on the issue: had they announced the ban, they would have been in violation of WTO rules and would likely have faced counter-sanctions. By never officially announcing the ban, the message was clear enough, but still opaque enough to avoid retaliation from trading partners. The ban was a clear reminder that the Chinese economy is increasingly integrated into the world economy, and it was also a signal to Japan that China is now the stronger of the two in the economic sphere. In the past, China was dependent on others, but in the future the tables may well be turned. In the future, the CCP might increasingly be willing to ruffle a few economic feathers to achieve nationalist goals or to appease domestic audiences.

In addition to the rare earth export ban, Chinese authorities also attempted to curtail the tourism flow to Japan by telling Chinese travel agencies to discourage tourists from travelling to Japan. This went the other way too, with Japanese tourists feeling intimidated by demonstrations in China (Wall Street Journal 18.10.2010).

The rare earth mineral ban and the disincentive to tourism is connected to the economic side of the marketplace of ideas. By using trade (or in this case, non-trade) as a tool to punish another nation, the CCP shows that is understands that nationalism and the marketplace are intimately connected. Calls for boycotts of Japanese goods have a long pedigree in Chinese nationalism37, and

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37 The May 4th movement of 1919, the earliest instance of modern mass nationalism in China, issued calls for boycotts of Japanese goods after the treaty of Versailles which gave the Japanese control over German controlled Shandong province.
the CCP might have attempted to forestall demands from nationalists outside the Party leadership that China use economic tools to punish Japan. As noted above, the ban was never officially announced and this allowed the Party to control how far the situation escalated. If domestic nationalists had started to call for a boycott, the CCP could have announced that they had already placed a ban on part of Sino-Japanese trade. If domestic nationalists did not make such demands (or their demands were not seen as questioning the nationalists credentials of the CCP), then the ban could be quietly lifted. The non-communication of the ban was likely a calculated move designed to hedge the CCP's bets against all potentialities.

The de facto ban on exports of rare earth minerals constitute a potentially expensive show of determination. China currently controls over 95% of supply, but China holds only 35% of the world reserves (Economist 30.09.2010), meaning that other nations could start producing these minerals. China is the current production leader because Deng Xiaoping made it national policy to refine these minerals, even as profitability fell. As the world's dependence on rare earth minerals has been exposed and China has displayed its willingness to use trade to punish Japan and others, other nations with reserves are having to reconsider their decision not to refine these minerals. Australia and the US have already started to explore this option (Economist 30.09.2010). On the other hand, starting to refine these minerals would take some time, and the process produces waste by-products that are dangerous to the environment.

While the CCP was eager to brandish it's nationalist credentials, there was also a fear that the anti-Japan demonstrations could get out of hand. While the CCP is willing to jeopardize economic gains by imposing a ban on rare earth minerals, they were not ready to let the demonstrations go so far as to seriously harm the bilateral relationship or let the demonstrations grow into a powerful social force beyond the reach of the Party. Moreover, the Party could control stops in exports of rare earth minerals, as well as its resumption. Demonstrations are less easy to control. The CCP could use the ban as a flexible policy tool, ending and resuming the exports as the domestic and international environment changed.

In an effort to calm protesters, the Foreign Ministry issued a statement saying: "We maintain that patriotism should be expressed rationally and in line with law. We don't agree with irrational actions that violate laws and regulations, […] We advocate properly resolving those issues through dialogues and making joint efforts to safeguard the strategic bilateral relationship of mutual benefit,". This statement was released October 17th 2010 and was carried in the Xinhua, the Chinese official news agency (Japan Times 18.10.2010). Wu Jianmin, a former diplomat and former president of China Foreign Affairs University, also called for rational expressions of patriotism in an
It is important to keep in mind that these statements came from the Foreign Ministry and a former diplomat. The Foreign Ministry would have to patch up the relationship should it deteriorate further, so it makes sense that they would try to limit the damage these demonstrations could do.

The demonstrations were organized using both print media and the internet, as already mentioned. The internet in China is of course under the control of the government, but that control is only partial and some aspects of the internet are increasingly hard to control. QQ and similar services, while monitored by the government, nevertheless poses a threat to governmental control over the marketplace of ideas. As discussed at the beginning of this chapter, the cost of policing the internet will go up as the online population grows. The resources of the Chinese government are finite, as are the resources of all governments. It must therefore prioritize some issues over others, and nationalist and anti-Japanese sentiments are for the most part not taboo. However, the government will take action if nationalist demonstrations threaten the CCP or has the potential to seriously harm CCP policy objectives. Nationalist demonstrations and other expressions give Chinese a way of expressing their opinions on policies, but the Party must always consider both the potential fallout with the targets of nationalist's ire, as well as the possibility that nationalists start turning on the party. In the case of the Senkaku/Diaoyu islands, the Foreign Ministry likely saw the demonstrations as increasingly costly in terms of the bilateral relationship and called on citizens to express their opinions “rationally”, that is, in a manner not damaging to the interest of the Party. In the end, it seems reasonable to conclude, as did Willy Lam, that Chinese nationalist won a tactical victory in the 2010 iteration of the dispute. By banning the export of rare earth minerals to Japan, the CCP was essentially doing what the nationalists were demanding: boycotting Japan (Lam 2010).
Findings and Conclusions

In the preceding chapters, I have detailed how the marketplace of ideas during the 1990's was under tighter state control than it was during the 2000's. This chapter summarizes my findings, and looks at the implications of these.

My primary hypothesis, *nationalism will increase as the Chinese state retreats from the marketplace of ideas*, suggests that a marketplace with less state interference may lead to increasing nationalism. A corollary of this hypothesis is that a freer marketplace of ideas with increasing nationalism provides the CCP with strong incentives to defend its nationalist credentials, even at the expense of other interests.

My competing hypothesis is *nationalism will decrease as the Chinese state retreats from the marketplace of ideas*. A corollary of this hypothesis is that a freer marketplace of ideas does not provide the CCP with strong incentives to defend its nationalist credential, allowing the CCP to largely ignore nationalist demands.

This analysis finds strong support for my primary hypothesis. There is a positive correlation between a liberalizing marketplace of ideas in an authoritarian regime and nationalism, and China in the latter part of the 1990's and the decade that followed offers support to Snyder and Ballentine's theory (1996). Perhaps equally important, this theory helps us to understand the intrinsically important case of China.

However, correlation does not imply causation. If two events follow each other, this is not evidence that one caused the other. A rise in Chinese nationalism observed as the Chinese state relaxes its grip on the marketplace of ideas, does not mean that the latter caused the former. To make such assertions, theory is needed. In addition, process-tracing offers a way of directly observing the predicted causal mechanism.

The theory I use in this thesis was originally formulated to explain nationalism in countries undergoing democratization with a concurrent liberalization of the marketplace of ideas. This condition does not directly apply to China in any of my cases: China is not undergoing democratization. What has occurred in China (or more precisely, what occurred during the two cases under investigation), was a liberalization of the marketplace of ideas, without a related democratization process. This does not mean that the theory cannot be used on the Chinese situation. The theory does not apply to just democratizing countries, but to countries which are undergoing a liberalization of the marketplace of ideas and has a political elite made vulnerable by this liberalization. Even autocracies are dependent on legitimacy, and cannot rule if they are...
thoroughly discredited by their population.

China in the latter parts of the 1990's and 2000's fit the above criteria: the marketplace of ideas was liberalizing, and the political leadership increasingly had to listen to public opinion. The CCP is not faced with the challenges of democratic elections in the foreseeable future, but the need to rebuild their legitimacy is pressing. The CCP turned to nationalism as their control of the marketplace of ideas was waning, in the hopes that the fate of the Party and the fate of the nation could be tied together in the popular imagination.

Nationalism spreads when political elites have incentives and opportunities to spread nationalism in the marketplace of ideas. Nationalism also spreads as a result of consumer demand in the marketplace. To quote Anderson, the nation is imagined. Imagining the nation is not the same as constructing the nation. The act of imagining the nation is done between consumers and suppliers: consumers imagine the idea in a dialectic with suppliers in the marketplace. Nationalism offers benefits for consumers as well as suppliers. The suppliers in the marketplace of ideas have the option of spreading other ideas, but they will be drawn towards ideas that sell, that are easily consumed, and that are feasible to spread in any particular marketplace. In other words, suppliers respond to both market demand for ideas, as well as adapt to the political boundaries of what is acceptable. The political boundaries thus constitute market barriers, keeping suppliers with less desirable (to whoever has the power to block access) ideas out of the market. Nationalism as an idea offers an easily consumed idea, dividing the world into different units. The idea itself is appealing and is made even more appetizing by advertisement both in the marketplace of ideas and in the school system.

In the following I summarize how the changing political priorities and the changing nature of the Chinese marketplace of ideas interacted in the 1990's and 2000's. These changes are crucial for understanding the growth of contemporary Chinese nationalism.

Creating Demand for Nationalism: China in the Early 1990's

One of the first changes of interest to understand how nationalism spread in China in the 1990's, was the implementation of the patriotic education reform that was undertaken early in the decade. It could be objected that this has little to do with the marketplace of ideas, or any reasonable understanding of competition in a marketplace, as there is in practice no competition in the curricula of public education. Pupils undergoing education at the primary level are given no choice in the

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38 It is important to note that there is not competition in the school system itself (that is, students do not get to decide which curriculum to use). There is however competition between different factions in the political leadership about the curriculum, and different factions have different foci that they promote, e.g. nationalism or Marxist orthodoxy.
matter. Gellner claims that “The monopoly of legitimate education is now more important, more central than is the monopoly of legitimate violence” ([1983] 2006: 33), and this is precisely the point. The curricula of public education takes on the aura of objectivity, of disinterested fact-conveyence, when quite the opposite is happening. Any nation-state will tell history from its own perspective, and in the process falsify or bend the historical record, omitting the less flattering parts of the past while emphasising national achievements. This is to be expected. In fact, Japanese revisions of their own textbooks in the 1980's led to outcry from their Asian neighbours, and the Chinese in particular objected. The new stress on patriotic education shows that the CCP was increasingly worried about their legitimacy and used education in an attempt at strengthening their standing in Chinese society. While public education and the historical narrative taught there should not be understood as part of the regular marketplace of ideas per se, that still does not exclude it from the analysis. Rather than seeing it as part of the functioning marketplace, we should understand it as an attempt at moulding demand before children reach the marketplace of ideas.

If public education and specifically the history taught there is not a part of the marketplace of ideas, how can it be considered advertisement? The answer is that the advertisement being done is not directed at consumers, but at consumers-to-be, that is agents that will later consume in the marketplace. Think of commercials directed at children. McDonald's, Burger King et. al. cannot reasonably expect children to purchase for their goods. What they are doing is directing their advertisement towards children with the hope that the child will influence the parent to buy the good, or that the child will have their preferences shaped by the advertisement and the consumption at a early age. The hope then, is that these preferences will last into adolescence and adulthood when the child can make independent choices about consumption. This same mechanism is at work in public education. The hope is that the school system will instil values in the students and that these will play into decisions made in adulthood. I am not arguing for the benevolence or malevolence of this mechanism: after all, many of the values that are internalized during public schooling can be considered morally good. I am merely pointing out that the intention of this particular education reform was to instil patriotism in the students, and that subsequent events show that this was the result.

The PRC, like other states, has memorials and museums designed to teach their domestic audience about the past. The focus tends to be national, and in China the museums are also used to shore up the regime's legitimacy. As I showed in the case chapter on the 1990's, there was a shift in narrative in China, moving from a focus on the victories of the Chinese to a focus on the sufferings of the Chinese. The change was largely motivated by political considerations and likely also a
popular demand for stories of past suffering as well as the need among parts of the public to share these stories of personal suffering. During the Mao period, the general theme of the national narrative of China's recent past had been one of victory and perseverance in the face of adversity. In the new narrative that emerged in the late 1980's, the focus tended more towards the sufferings of the Chinese and the evils of foreign invaders. The old narrative had made distinctions between bad Japanese (militarist leaders) and the broad sections of Japanese society. The war had not been the fault of the Japanese people, but rather a few bad apples had led the Japanese astray. With the old world view of class struggle increasingly fading as the economic reforms unfolded, the line between the few bad Japanese and the many innocent Japanese started to disappear, in effect leading to all Japanese being viewed with suspicion at best and hate at worst. It seems likely that the victimization narrative might in itself lead to more nationalism, as it focuses on sufferings inflicted by others, rather than victories attained by the in-group. It may well be that Ernest Renan ([1882] 1994:17) was right when he claimed that “[…] national sorrows are more significant than triumphs because they impose obligations and demand common effort” and the narrative that emerged in China focusing on suffering did indeed impose obligations to defend China. The Chinese narrative of the war went from focusing on victory to focusing on suffering, but it also went from telling a class-based history of the war to telling a nation-based history of the war. These changes form the backdrop for the marketplace in which nationalism became an increasingly appealing idea, both to consume and supply.

The patriotic education reform and the institutional remembrance could be construed as evidence that contemporary nationalism in China is not the result of market interactions, but rather that nationalism is constructed by elites and forced on the population. This is not what I am arguing here. Other evidence, reviewed below, suggests that nationalism emerged as an attractive alternative in the marketplace of ideas, in part (but not exclusively) because of state backing. The growth of Chinese nationalism is the result of interactions between elites and masses. The Chinese marketplace of ideas in the 1990's was more restricted than was the marketplace in the 2000's, but there were some supplies of nationalism that originated from society.
Supplying Nationalism

There were clear incentives to supply nationalism in the marketplace of ideas in the late 1990s and in the 2000's. The patriotic education reform had helped shape consumer tastes towards nationalism. More implicitly, the education reform also signalled to producers that nationalism was an acceptable idea in the marketplace. In other words, producers had been given both a growing audience as well as a wink and a nod from the CCP that nationalism would in most cases not be censored. Producers with different motives (both financial and ideological) brought their goods to market which in varying degrees increased the presence of nationalism in the marketplace.

This supply was seen in areas such as books and movies, with the successes of the China can say no books and other similar offerings showing that these suppliers were correct in their assessment of demand. These also show the two aspects of the marketplace of ideas. On the one hand, purveyors of ideas in the marketplace are concerned with spreading their ideas to influence people and policy. On the other hand, some suppliers are more concerned with making a profit and less with influencing policy. Many of the offerings of the mid 1990's were likely motivated in large part by financial incentives. The effect on consumers in this marketplace of ideas was to further spread nationalist ideas, setting the stage for nationalist outpourings in the late 1990's and 2000's.

While proving that the patriotic education reform and the products in the marketplace of ideas lead to later outbursts of nationalism is difficult, there is some evidence to this effect. As the Belgrade bombing showed, the American version of the event was not believed. Partly this is to be expected: most people would likely not believe the “other's” explanation in such a case. Gries (2004: 140p.) argues that people favour members of their in-group over others but that this does not mean that they automatically see other groups in a negative light. However, if people start to view the relationship between their nation (the in-group) and another nation (the out-group) as zero-sum, conflict and competition is much more likely (Gries 2004: 141). Incidents like the Belgrade bombing is likely to cause people to view the relation as a zero-sum relationship.

It should also be remembered however, that the domestic Chinese media did not report on the US president's attempt at apologizing via telephone. Domestic media was either instructed not to report on the attempt at apologizing, or that the media themselves decided not to report on the phone call. Either way the result was the same: the American side appeared unapologetic.

In the 2001 Spy plane incident, the CCP went on the offensive, trying to take control of the situation by clearly placing the blame on the American side. The CCP had two main goals in the
negotiations with the Americans. First, there was a need to show domestic audiences that the CCP would stand firm in a crisis, and would restore China's honour. On the other hand, they could not afford to go too far in their demands, appearing vindictive or petty on the international stage. The Chinese had lost a pilot, while the American side had not suffered any human casualties. This, coupled with the fact that the incident involved Chinese territory and the Chinese had the American crew detained, gave the Chinese a stronger hand to play in the international diplomatic game that followed in the wake of the crash. In addition to these two goals, China was also seeking to put an end to American spy planes flying in China's EEZ.

The Spy plane incident further cemented the negative view of the US that was taking root among Chinese. Domestic opinion in China had the Belgrade bombing fresh in memory and media in China also connected the two events. Both were instances of the US violating Chinese territory, first by bombing the Chinese embassy and then by flying spy planes in China's EEZ. Most likely it was the initial reluctance to apologise that made the Americans seem insincere when they eventually issued the letter of “two sorrys”. As Lind (2008: 11) argues, how a country remembers past violence might affect how other countries view their current intentions. The same dynamic is at work when Chinese see the American side issuing an apparently unrepentant apology for violating Chinese territory, the so-called “two sorrys”.

Both the Belgrade bombing and the spy plane incident fed into the victimization narrative that had taken root in the 1990's. This narrative was something the suppliers in the marketplace were aware of, and exploited to sell their ideas. At the same time, the CCP had to be ever conscious of their international image. This was especially true during the spy plane incident, as the CCP had to be careful not to spoil the Olympic bid.

The CCP Adapts to a Freer Marketplace of Ideas

Increasingly, the CCP has had to adapt to the liberalizing marketplace of ideas and growing nationalism. The Diaoyu/Senkaku dispute is a long festering dispute that I document in both case chapters. The dispute is illuminating of Chinese nationalism, in that it shows the increasing influence nationalism has on policy making as well as CCP attempts to control the situation. Nationalism can be both a blessing and a curse. It can boost regime legitimacy, but it can also be used to place demands on the regime. Nationalist demonstrations can force the hand of the regime, making international diplomacy difficult. Thus, the government suppressed some of the Diaoyu/Senkaku demonstrations, likely for fear that they would harm the Sino-Japanese relationship.
By the late 2000's, the CCP had a much harder time staying in control of the dispute. The Japanese decision to detain the Chinese skipper in 2010 made Chinese nationalists angry, and proved much harder to suppress than in 1996. There was a precedent for simply deporting Chinese detained by the Japanese Coast Guard near the Islands. In 2010, the Japanese attempted to use the collisions between the Chinese boat and the Japanese Coast Guard boats to bolster their claim to the islands by showing that they exercised effective jurisdiction over the area. The detention of the Chinese captain infuriated Chinese nationalists, and the CCP had a hard time suppressing demonstrations that could have worked against the CCP's foreign policy goals.

More elegant was the ban on rare earth minerals, enforced but never announced by the Chinese side. This allowed the Chinese to send a signal to Japan that the Chinese were willing to use trade as a weapon in the dispute. As an unintended side effect, the ban also brought into sharp relief the rest of the developed world's dependence on China for these minerals. By never announcing the ban (and thus never committing to it) the Chinese side won two tactical advantages. First, they could deny that there was a ban when Japan started protesting. Second, should domestic nationalists demand a tougher stand against the Japanese and the CCP find it advantageous, the CCP could simply announce the ban, appearing tougher in the process.

The Diaoyu/Senkaku also shows how different parts of the government have different priorities. It was no coincidence that the Foreign Ministry were the ones who called for restraint in 2010, urging demonstrators to express their patriotism “rationally”. This statement was reported by Xinhua (Japan Times 18.10.2010), and a similar call for rational expressions was carried in the People's Daily (Washington Post 24.09.2010). Presumably rational means in a way which does not interfere with the Foreign Ministry's work: international diplomacy. The security apparatus started cracking down on the demonstrations when it became clear that the demonstrations could escalate out of control. Domestically, the CCP need to appear tough on issues of sovereignty, and thus has an interest in letting nationalists demonstrate as long as they do not turn on the CCP. Internationally, there is a need to appear reasonable and rational.

The CCP is facing divergent pressures in its policy making, with nationalist demands sometimes going counter to economic or diplomatic goals. The marketplace of ideas in the 2000's made it increasingly difficult for the CCP to ignore nationalist demands. With a freer marketplace of ideas and consumers demanding nationalism, the CCP will increasingly have to listen to nationalist demands.
The Marketplace and the Internet

The marketplace in the late 1990's and 2000's was freer than in the early part of the 1990's. At the same time government market manipulation became much more sophisticated, relying extensively on self-censorship on the part of producers. As Perry Link (2001) pointed out at the beginning of the century, the anaconda in the chandelier is alive and well. The result was more “bang for their buck” in terms of governmental efforts to control popular discourse. Furthermore, as the case chapter on the 2000's showed, there was widespread support for some sort of control over the internet, and by extension the marketplace of ideas. This support stems from the successful efforts of the CCP to legitimize their control of the marketplace of ideas. The marketplace was freer than it had been, but much of the remaining censorship was implicit or even self imposed. And the times the CCP actively suppressed ideas, the Chinese people agreed (at least in principle) that some control was needed. The marketplace was in other words suffering from imperfect competition and limited freedom.

Rosen (2009:362) points out the irony of Chinese censorship efforts. In the late 1980's and the early 1990's, the government was trying hard to limit the inflow of Western news, causing Chinese to uncritically believe Western reporting. The flip side of this effect is that when the government is allowing more western news in, domestic media gain credibility. In the late 1990's and the 2000's, the situation was changing in just such a way. In a superficially open (or liberalizing) marketplace of ideas, with less overt governmental censorship, the illusion of free reporting is easier to uphold. This allows the government to use their powers of censorship much more sparingly, letting the anaconda intimidate producers in the marketplace into self-censorship. The political effects were more powerful: since the Chinese population increasingly believed domestic reporting over foreign reporting, the domestic account (which was and still is susceptible to political censorship) was the one most widely believed.

The internet was an indispensable part of this transformation. The internet meant not only that the marketplace of ideas was growing, allowing consumers to see news and ideas they had not been confronted with before and at an unprecedented speed. It also represented a challenge for the regime, in that it was and continues to be a market partly beyond the reach of the censorship apparatus. While the governmental units charged with monitoring and suppressing internet activity that could be subversive is well funded and quite effective, there are increasing signs that the task is simply too big. The problem is both inherent in the technology itself and in the massive increase in its usage.
The internet represents a vast expansion of the marketplace, both on the consumption side as well as on the supplier side. In traditional media, the producer and consumer are two distinct categories, with the former producing what he/she thinks the latter wants to consume. The consumer lacks access to the means of production, or to put it another way, the barriers to entry are high (at least for consumers wanting to switch sides in the market). With the internet, barriers of entry are low: almost anyone who is literate can at the very least afford some time at an internet cafe can go online and supply there ideas in email lists, blogs, personal web pages etc. The BBC (23.09.2002) reported prices as low as 1 RMB\textsuperscript{39} for an hour of web surfing, and with the internet spreading, prices go down.

There is of course always the danger that internet censors will shut down this or that producer, but as the internet spreads this is an increasingly difficult task. As more users go online, more and more staff is needed to monitor their activity (sophisticated computer programs notwithstanding). Another issue that I have not addressed at any length is how nationalism is affected by the internet.

The internet, as I have explained, has some peculiar market effects. Aside from lowering barriers to entry, it also provided users with a sense of both community and anonymity. The internet allows people who would otherwise never have met to communicate in an instantaneous manner, with a message being sent across China in a matter of seconds. This is obviously quite different from traditional communication. Demonstrations can be organized by email, by instant messaging and SMS messages and people can take to the streets much faster than before the internet made its debut. Or consider intellectual work: in the past, a would-be nationalist wanting to publish a pamphlet or book would have to wait for the printer and publisher to finish their work (and possibly have the whole process interrupted by governmental censors or a worried publisher). With the advent of the internet, the process is simplified greatly, and the printer and to some degree the publisher have been cut out of the link. The producer stands face to face with his consumers. And should the government decide that the material should be blocked, there are always other web pages or email lists that can be used. The perception of anonymity allows the producer greater freedom from censorship, as he/she is working under the assumption that the internet offers anonymity or at the very least a safety in numbers.

While the safety in numbers might protect some producers online, the internet offers only the veneer of anonymity. Anonymity between users is usually present, but internet service providers and the various agencies charged with supervising the internet in China are able to search out online

\textsuperscript{39} 1 RMB was about 12 US cents, or 90 Norwegian Øre (i.e. 0.90 NOK) on September 23\textsuperscript{rd} 2002 (Xe.com 23.09.2002).
producers that they would like to bar from the marketplace of ideas. It seems very likely that the perception of anonymity serves to make debate more radical. In traditional media, the author can be clearly identified. On the internet, most communication is done under the cover of an alias. If one were to write a letter to the editor of a newspaper and sign with one's own name, there would be the possibility of social repercussions (neighbours/colleagues/friends/family that strongly disagree). Thus, most people are discouraged from proposing radical ideas. Under the cover of the anonymity that the internet seemingly provides, there are no such incentives and producers may in fact benefit from being radical by raising his/her visibility in the marketplace.

Another effect of increasing numbers of internet surfers is similar to print-capitalism. Recall the definition of the nation used in this thesis: “[the nation is an] imagined political community, and one that is imagined as both limited and sovereign (Anderson [1983] 2006: 6). The causal mechanism in Anderson's theory of nationalism is print-capitalism, the spread of printing interacting with the forces of capitalism, allowing large communities to imagine their community though the products of the printing press. The internet is similar, in that communication is much more effective than in the previous period, and the speed of communication is also increased. While the internet could in theory allow Chinese to communicate with the outside world (and it no doubts does that too), the Chinese internet is separated from the rest of the internet by both language and political control. The barriers in China at the start of the internet era are deliberate, unlike the barriers in Europe at the time of the printing revolution. The effect however, is similar: Chinese communicate with other Chinese, either due to language barriers or political barriers. The imagining of the nation becomes easier and more efficient than in the past.
Conclusion

This thesis offers an explanation for the increase in Chinese nationalism that occurred alongside a liberalization of the marketplace of ideas. I have found evidence that support my primary hypothesis, that nationalism will increase as the Chinese state retreats from the marketplace of ideas. A liberalizing marketplace of ideas also provides the CCP with strong incentives to defend its nationalist credentials, even at the expense of other interests. This does not mean that any liberalization in any marketplace of ideas leads to the same result. Rather, it suggests that in cases similar to the Chinese cases under investigation in this thesis, political elites have powerful incentives to both allow and even supply nationalist ideas in the marketplace of ideas.

In the Chinese case, the CCP was (and continues to be) the only alternative available in terms of political parties. There is scant evidence of organized opposition outside the party, and little to suggest that such opposition is likely to emerge in the near future. The CCP then, does not have to contend with other parties in the marketplace of idea, but must nevertheless respond to market changes. The CCP ignores nationalist demands at their peril.

It may well be that the CCP is keeping nationalism at bay. Any contender to the mandate of heaven in China would have to make its appeal in nationalist rhetoric. It may well be, as Eric Li (06.12.2010) suggested, the CCP is the only authority that can ensure moderation in China's international relations. “Western-style electoral democracy”, says Li, “could only lead to tyrannical populism and its twin brother, extreme nationalism”.

I disagree with Li when he says democracy could only lead to populism and nationalism, but there is a real chance that this could happen if China were to undertake ill-conceived democratic reforms. Just think about the economic reforms that have been undertaken in China. They have no doubt lifted millions out of poverty, but at an enormous cost to the environment, to social equality and to social stability. If China were to undertake a wholesale reform of the marketplace of ideas, while at the same time institute democratic elections, the results would likely be populism and nationalism. As Mansfield and Snyder point out, the connection between nationalism and democratization is “striking” (1995: 83). New and old elites in a democratizing state find that they need mass support to stay in power, and often make nationalist appeals to secure that support. However, once nationalist passions are aroused, they can be difficult to control (Mansfield and Snyder 1995: 88p.). The CCP would have to compete with other political parties and would likely throw any hesitation of promoting their nationalist credentials to the wind.
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