

China Leadership Monitor

From Strategic Reassurance to Running Over Roadblocks: A Review of Xi Jinping's Foreign Policy Record

Ryan Hass

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The conduct of China's foreign policy over the past decade has grown more nakedly ambitious and tolerant of friction in pursuit of national objectives. China's leaders seem to have concluded that the country has grown too strong to feign modesty of ambition. Rather than seek to placate external anxieties about China's rise, they seem to have decided it is better to amass strength and compel others to accept China's ambitions and conduct. During the past decade, China's economy has grown and become more integrated within East Asia. The People's Liberation Army has gained strength. China also has exercised greater leadership on issues of global governance and built a growing number of international partnerships. These and other developments have imbued China's leaders with confidence that historic trends are in their favor. At the same time, Beijing's growing assertiveness has activated pushback from the United States and its partners. China's relations with virtually the entire developed world have grown strained and its image in these countries has plummeted. Even so, China's leaders seem to want to put the world on notice that they are prepared to confront any country that dares stand in their path of "national rejuvenation."

As Xi Jinping nears completion of his second term as general secretary and appears set to embark on a third term this fall, now seems to be an opportune time to review China's foreign policy record during his time as leader. Although President Xi has embraced the broad national ambitions of his predecessors, the manner in which he has pursued such ambitions has shifted over the past decade. Under Xi, China has shown greater outward confidence in its capacity to make the international system more conducive to China's goals and preferences. It has become more tolerant of frictions with countries it perceives to be challenging its interests or harming its dignity, and it has employed an expanding array of economic, diplomatic, technological, and military tools to strengthen its ability to influence outcomes beyond its borders. Chinese leaders have extolled the virtues of self-reliance and of holding their country's destiny in their own hands. At home, they have grown more reliant on nationalism and repression to preserve their grip on power; that such an approach has reputational costs to China's image abroad is a price Beijing appears willing to pay. Ultimately, the days of China offering reassurance about its peaceful rise are over. Beijing's focus now is on accelerating the country toward its midcentury destination of "national rejuvenation" and running over anyone or anything that dares to stand in its way.

This essay is organized in three parts. The first section examines the evolution of China's statecraft under Xi. The second section evaluates the performance of Beijing's more assertive pursuits of its interests. The third section explores the direction China's foreign policy might take in the coming years.

Evolution in strategic approach under Xi Jinping

Xi Jinping has matched policy to reflect his vision of China asserting a larger role on the world stage. He also has shifted significantly in terms of how China pursues its interests.¹ He has not, however, altered the destination toward which for decades China's leaders have consistently been aiming.²

As political scientist Avery Goldstein has documented, China has been pursuing a coordinated grand strategy of national rejuvenation since at least 1992, even as the goal can be traced further back to the founding of the Chinese Communist Party in 1921.³ After the Cold War, former paramount leader Deng Xiaoping developed the policy of “hiding strengths, biding time, never taking the lead (*taoguang yanghui*).” This approach was guided by the objective of concentrating resources on China's development to amass wealth and power. To achieve this, Deng saw a need to lower expectations for China to address problems beyond its borders while also to avoid confrontation with the United States or strategic encirclement in Asia.

Deng's successors, Jiang Zemin and Hu Jintao, sought to frame China as embarking on a peaceful rise (*heping jueqi*) and pursuing peaceful development (*heping fazhan*). These principles were intended to demonstrate that China was not out to challenge America's leadership or to overturn the existing world order. Rather, China's rise would deliver benefits by contributing to global economic growth. Beijing also promoted a good neighbor policy (*mulin zhengce*) to signal China's commitment to sustaining a long peace in Asia.⁴

Behind these banner slogans, internally during this period China's leaders tasked the People's Liberation Army (PLA) Navy to adopt “new historic missions” and to become a “maritime great power.”⁵ Beijing authorized development of an aircraft carrier, set in motion plans to strengthen China's position in the South China Sea, and augmented its presence in the East China Sea. China's defense spending climbed sharply. Hu Jintao also advocated a “going out” policy to use infrastructure development to bind neighboring countries more closely to China.

¹ I refer to grand strategy here as meaning a coordinated set of political-diplomatic, economic, technological, and military policies that a state employs in service of pursuing its national objectives and protecting its vital interests.

² For additional context, see Rush Doshi, “Hu's to Blame for China's Foreign Policy Assertiveness,” Brookings Institution, January 22, 2019, <https://www.brookings.edu/articles/hu-to-blame-for-chinas-foreign-assertiveness/>

³ Avery Goldstein, “China's Grand Strategy under Xi Jinping: Reassurance, Reform, and Resistance,” *International Security*, Vol. 45, No. 1 (July 2020), 164–201, https://doi.org/10.1162/isec_a_00383

⁴ “China's Relations with Neighboring Countries,” China Government Network, http://www.gov.cn/test/2005-06/30/content_11177.htm

⁵ Xiang Hang, ed. “Comprehensively Improve the Ability of Our Army To Fulfill Its Historical Mission in the New Century and New Stage.” National People's Congress News Center, March 11, 2009, http://www.npc.gov.cn/zgrdw/pc/11_2/2009-03/11/content_1491075.htm

While China's declaratory policy did not entirely dispel international concerns about the impacts of China's rise, it did dampen international anxieties. As time passed, however, China's national strength outgrew the modest manner in which its ambitions were being framed.

By late 2008, domestic murmurings of discontent about China's ever-reassuring strategic orientation began to become audible. With the global financial crisis denting America's image of competence and China's national pride bolstered by its successes at the 2008 Beijing Olympics, many Chinese commentators began arguing that China's time had arrived to stake a claim to greater leadership on the world stage. After an uncharacteristically visible domestic debate about whether China should alter its strategic outlook, then State Councilor Dai Bingguo shut down the discussion with an authoritative commentary in December 2010 reaffirming that conditions were not yet ripe for China to assume greater global responsibilities.⁶ I was then serving in the U.S. Embassy in Beijing. The consistent refrain I heard from Chinese contacts at that time was that Dai and his boss, Hu Jintao, were old and would soon be gone. China's next leaders would not be so timid. My contacts were right.

Xi did not initially come out swinging to alter China's strategic orientation after he was elevated to general secretary in late 2012. When he entered office, he faced an array of immediate challenges, including capital flight, questions about the continuing efficacy of China's export- and investment-led economic growth model, public dissatisfaction over official corruption, visible divisions at the top of the Chinese Communist Party, tense civil-military relations, and external pressures from America's "pivot to Asia" and the Arab Spring. In the face of these challenges, Xi originally sought to mitigate any risk of additional stresses. At a June 2013 summit meeting with President Obama, he proposed that the United States and China should adopt a "new type of great power relations" to limit any risks of conflict.⁷ His vice premier, Wang Yang, followed up on this theme in a speech in Chicago in 2014, when he declared that China had no intention of challenging American leadership or the existing international order.⁸

Such signals did little to dispel a growing perception in the United States and elsewhere that China's strategic appetite was growing alongside its economic ascent and that China had graduated beyond a low-profile foreign policy approach. At about this time, Beijing took a series of steps that reinforced such concerns. These included Xi's announcement of the Belt and Road (BRI) Initiative in 2013, the launch of plans to establish the Asian Infrastructure Investment Bank (AIIB) and later the Brazil-Russia-India-China-South Africa (BRICS) New Development Bank, the unilateral and uncoordinated announcement by the PLA of an air defense identification

⁶ Dai Bingguo, "Adhere to the Path of Peaceful Development," Xinhua News Agency, December 6, 2010, <https://china.usc.edu/dai-bingguo-%E2%80%9CAdhere-path-peaceful-development%E2%80%9D-dec-6-2010>

⁷ Huang Beibei and Jun Liang, eds., "China, U.S. Agree to Build New Type of Relations," *People's Daily Online*, June 9, 2013, <http://en.people.cn/90883/8279053.html>

⁸ "Chinese Vice Premier Urges U.S. to Treat China with 'Strategic Foresight,'" Consulate General of the People's Republic of China in New York, Foreign Ministry of the People's Republic of China, December 19, 2014, <https://www.fmprc.gov.cn/ce/cgny/eng/xw/t1220835.htm>

zone over contested areas in the East China Sea, and China's evolving efforts to assert physical control over contested regions in the South China Sea.

China's growing material strength, combined with its growing activism abroad and its rising repression at home, rendered moot its attempts to reassure the United States and others of its benign intentions. Chinese leaders seem to have recognized at that time that the country had reached a level of strength that would cause other countries to closely scrutinize its actions. Under Xi, China adopted an approach that drew on "China's increasing wealth and power to ensure the country's interests. The approach also envisioned China not simply adapting to, but instead more actively shaping, the world in which it is rising."⁹

This shift in posture was evident across a full spectrum of China's diplomatic, economic, technological, and military activities. As time passed, Xi began to emphasize that all Chinese strategic efforts should be tied to the "great rejuvenation of the Chinese nation." This, Xi explained, would require China to struggle, to strengthen self-reliance, to oppose efforts by foreign forces to oppress or subjugate China, and to persevere until China reclaims its seat at the center of the world stage.¹⁰ The focus, in other words, was not to pacify or manage foreign concerns about Chinese ambitions. Rather, it was to drive over any obstacles to China's rejuvenation.

In the diplomatic realm, at a November 2014 Central Conference on Work Related to Foreign Affairs President Xi signaled that China must "develop a distinctive diplomatic approach befitting its role of a major power." This would require that China "make more friends ... and build a global network of partnerships."¹¹

By the end of 2014, China had established partnership relations with 67 individual countries and five regions or regional organizations.¹² By 2020, China had nearly doubled its global partnerships, inking such arrangements with 112 countries and organizations.¹³ The selection and cultivation of this web of partnerships has not been random. Rather, it has been driven by three factors, according to China scholars Min Ye and Quan Li: the need to counter U.S. pressures; the

⁹ Goldstein, "China's Grand Strategy under Xi Jinping."

¹⁰ See "Full Text of Xi Jinping's Speech on the CCP's 100th Anniversary," *Nikkei Asia*, July 1, 2021, <https://asia.nikkei.com/Politics/Full-text-of-Xi-Jinping-s-speech-on-the-CCP-s-100th-anniversary>

¹¹ Ministry of Foreign Affairs of the PRC, "The Central Conference on Work Relating to Foreign Affairs Was Held in Beijing. Xi Jinping Delivered an Important Address at the Conference," November 29, 2014, https://www.fmprc.gov.cn/eng/wjw_663304/zjzg_663340/xws_665282/xgxw_665284/201412/t20141201_600270.html

¹² Wang Yi, "2014 in Review: A Successful Year for China's Diplomacy," Speech, Beijing, December 24–25, 2014, <https://www.mfa.gov.cn/ce/ceus//eng/zgyw/t1222886.htm>

¹³ Xue Li, "China Does Not Have Allies, But Has Friends With Partnership Diplomacy," *Global Times*, November 8, 2020, <https://www.globaltimes.cn/content/1206125.shtml>

necessity of maintaining peace and stability along its borders; and efforts to accelerate industrial modernization.¹⁴

China also embarked on a large-scale effort to reform the global governance system. President Xi declared, “Reforming and improving the current international system does not mean completely replacing it but rather advancing it in a direction that is more just and reasonable.” In other words, China should neither be a passive status quo power nor an arsonist of the existing order. Rather, the order should be reformed to become more conducive to China’s rejuvenation.¹⁵

To further this objective, China’s voluntary funding of UN development-focused entities increased by 250 percent between 2010 and 2019.¹⁶ Chinese officials also secured leadership of four of the fifteen UN specialized agencies (the Food and Agricultural Organization, the International Telecommunications Union, the UN Industrial Development Organization, and the International Civil Aviation Organization).¹⁷ (No other country leads more than one such agency.)

China also has been entrepreneurial about establishing parallel institutions as a form of “portfolio diversification” with respect to multilateral development banks. It continues to support existing development institutions even as it launches its own such institutions. For example, the AIIB, with 57 members, opened for business in 2016. By the end of 2020 with over 100 members, the AIIB had become the world’s second largest development bank after the World Bank,¹⁸ even as its Articles of Agreement make clear that China holds an effective veto over the bank’s

¹⁴ Quan Li and Min Ye., “China’s Emerging Partnership Network: What, Who, Where, When and Why,” *International Trade, Politics and Development*, Vol. 3, No. 2 (2019), 66–81, <https://doi.org/10.1108/ITPD-05-2019-0004>

¹⁵ See “Full Text of Xi Jinping's Report at 19th CPC National Congress,” *China Daily*, October 18, 2017, http://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content_34115212.htm

¹⁶ Scott Morris, Rowan Rockafellow, and Sarah Rose, “Mapping China’s Participation in Multilateral Development Institutions and Funds,” Center for Global Development, November 18, 2021, <https://www.cgdev.org/publication/mapping-chinas-participation-multilateral-development-institutions-and-funds#:~:text=China's%20voluntary%20contributions%20to%20multilateral,leave%20considerable%20room%20for%20growth>

¹⁷ Tung Cheng-Chia and Alan H. Yang, “How China Is Remaking the UN In Its Own Image,” *The Diplomat*, April 9, 2020, <https://thediplomat.com/2020/04/how-china-is-remaking-the-un-in-its-own-image/>

¹⁸ Gisela Grieger, “Asian Infrastructure Investment Bank: How Lean, Clean, and Green Is the AIIB?” European Parliamentary Research Service, February 2021, [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/679086/EPRS_BRI\(2021\)679086_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/679086/EPRS_BRI(2021)679086_EN.pdf)

operations.¹⁹ Such an approach has given Beijing options – and, by extension, leverage – to push existing development banks in its preferred direction.²⁰

As an element in China’s evolving diplomatic posture, President Xi has sought with little success to foster greater pan-Asian solidarity, with China as the leading regional actor. He has promoted the idea that Asians “should make sure we keep our future in our own hands. . . . We should promote Asian unity.”²¹ Such efforts have sought to frame the United States as a disruptive external actor and China as a resident power that understands the historical rhythms of the region.²² However, such entreaties have gained little traction in Asia.

That said, China’s economic presence in Asia has expanded significantly during the past decade. With the exception of flows with North Korea, Chinese trade and investment flows with its neighbors have increased substantially. These trends have been aided by China’s launch of the BRI, which has tightened links between China and its periphery, and by the entry into force of the Regional Comprehensive Economic Partnership (RCEP), a trade agreement including nearly one-third of the global population and about 30 percent of global GDP.

During this period, China has shifted its imports away from the West toward its RCEP partners. China now imports roughly twice as much from its RCEP partners than it does from the US and the European Union combined. A similar pattern also applies to China’s exports. China now exports more to its RCEP partners (and also to the EU) than it does to the United States.²³ Beijing has used deepening economic integration with neighboring Asian countries to tighten overall relations with them. A secondary goal of such efforts has been to lower the risks of economic overdependence on the United States and the West.

China’s expectations of its ability to sustain stable and non-confrontational relations with the United States seem to have steadily faded over the course of Xi’s tenure. Earlier attempts by the Xi administration to use climate change and economic integration as a “ballast and propellor” for

¹⁹ Thane Bourne, “China’s Intentions for the Asian Infrastructure Investment Bank,” Australian Institute of International Affairs, <https://www.internationalaffairs.org.au/chinas-intentions-for-the-asian-infrastructure-investment-bank/>

²⁰ Evan Feigenbaum, “Reluctant Stakeholder: Why China’s Highly Strategic Brand of Revisionism is More Challenging Than Washington Thinks,” Carnegie Endowment for International Peace, April 27, 2018, <https://carnegieendowment.org/2018/04/27/reliant-stakeholder-why-china-s-highly-strategic-brand-of-revisionism-is-more-challenging-than-washington-thinks-pub-76213>

²¹ See “Xi Jinping Delivers a Keynote Speech at the Opening Ceremony of the Boao Forum for Asia Annual Conference 2022,” Ministry of Foreign Affairs of the People’s Republic of China, April 21, 2022, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202204/t20220421_10671083.html

²² Xi Jinping, “New Asian Security Concept for New Progress in Security Cooperation,” Ministry of Foreign Affairs of the People’s Republic of China, May 21, 2014, https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/201405/t20140527_678163.html

²³ David Dollar, “China’s Mixed Economic Record,” *China Leadership Monitor*, September 2022.

the bilateral relationship did not yield the desired outcomes. From Washington's perspective, the accumulation of Chinese actions and decisions shifted the terrain of the relationship toward greater friction and hostility. Such actions and decisions include China's crackdown on dissent and squeeze on civil society; its abolition of term limits and return to strongman rule; its crushing of Hong Kong's autonomy; its crimes against humanity in Xinjiang; its rising pressure on Taiwan; its attempts to steal intellectual property and force U.S. companies to transfer technology; its militarization of reclaimed land features in the South China Sea; and its growing military assertiveness against its neighbors, several of which are American allies and security partners.

In Beijing's narrative, the United States has acted like an anxious declining power. It has lashed out at China in its efforts to preserve its privileged position in the international system. According to renowned China scholar Wang Jisi, the PRC leadership believes the United States has "an integrated strategy to Westernize and split up China, and to prevent China from rising into a greater power."²⁴

Statements and actions by the U.S. administration validate Chinese leaders' assumptions about America's dark intentions. Chinese leaders seized upon statements by senior Trump administration officials that called for the Chinese people to rise up against the Chinese Communist Party and expressed official support for Hong Kong protestors who employed violence, as proof of America's hostile intent and its unwillingness to accept China's rise.

Senior officials in Beijing believe the Biden administration's emphasis on ideological competition between democracies and autocracies provides further validation of America's hostility. They see such efforts to be targeting the moral authority and legitimacy of the Chinese Communist Party. They also view the Biden administration's focus on Xinjiang, Hong Kong, and Taiwan not as responses to their actions but as part of an overall strategy seeking to split China.

The proper response, from Beijing's vantage, is not to negotiate for better treatment or to seek to placate American anxieties but to strengthen China to the point that America is forced to accept and acquiesce to China's position at the center of the world stage.

After President Xi assumed office, Beijing began trafficking in these grievances with Moscow to develop unnaturally close Sino-Russian relations. Xi and Russian President Vladimir Putin share a belief that the United States is ideologically predisposed to undermine their rule. They view American hostility as a mortal threat, given the pattern of strongmen rulers facing exile, imprisonment, or death after being pushed out of office.²⁵ Putin and Xi's relationship began to develop against the backdrop of the Arab Spring. Since then, they have met thirty-eight times.

²⁴ Wang Jisi, "How, and Why, China-U.S. Relations Have Worsened Since 2012?" Tucker Memorial Lecture, Wilson Center, April 22, 2022, <https://www.wilsoncenter.org/event/eighth-annual-nancy-bernkopf-tucker-memorial-lecture>

²⁵ Barbara Geddes, Joseph Wright, and Erica Frantz, "Autocratic Breakdown and Regime Transitions: New Data," Vanderbilt University, <https://www.vanderbilt.edu/csdi/events/Geddes927.pdf>

At their most recent meeting, on February 4, 2022, Xi and Putin released a joint statement outlining their shared vision for reforming the international system and stating that their partnership has “no limits.”²⁶ Three weeks later, Russia invaded Ukraine. Although the Ukraine war has placed stress on China’s relations with the developed world and on China’s economy, China has stood by Russia, providing rhetorical support and amplifying Russian propaganda, even as it has largely refrained from exporting defense equipment to Russia that could aid Russia’s military operations in Ukraine.²⁷ Beijing has done this in service of both countries’ common vision of global politics, common values, and common material interests. China believes it is in a stronger position to counter American and Western pressure by standing back-to-back with Russia than it would by standing alone.

China also has established a pattern of deepening relations with countries that hold grievances against the United States. This pattern can be observed in China’s establishment of a comprehensive strategic partnership with Iran as well as with its growing relations with Saudi Arabia. China leverages its relations with Hungary as a hedge against the formation of an EU against Chinese interests. It also has deepened relations with Turkey at a time when relations between Washington and Ankara have become increasingly strained.

China has prioritized addressing its resource scarcity, especially oil and gas supply. Hence, Beijing views deepening relations with Russia, Iran, Saudi Arabia, Angola, and Venezuela as supportive of its efforts to secure diversified and stable sources of oil and gas.

In recent months, as China has found itself backfooted by its association with Moscow’s barbarism in Ukraine, President Xi has sought to regain the initiative by positioning China as champion of global security and global development. He has launched a Global Development Initiative to spur progress on poverty reduction and “promote balanced development worldwide.”²⁸ Similarly, he has promoted a Global Security Initiative with the seeming goal of America-proofing the international system. The stated rationale for this initiative is to promote cooperation to prevent interference in internal affairs, reject the formation of alliances or blocs, oppose any country’s pursuit of absolute security, and discard use of unilateral sanctions.²⁹

²⁶ “Joint Statement of the Russian Federation and the People’s Republic of China on the International Relations Entering a New Era and the Global Sustainable Development,” Russian Presidential Executive Office, February 4, 2022, <http://en.kremlin.ru/supplement/5770>

²⁷ David Bandurski, “China and Russia Are Joining Forces to Spread Disinformation,” Brookings Institution, March 11, 2022, <https://www.brookings.edu/techstream/china-and-russia-are-joining-forces-to-spread-disinformation/>

²⁸ Yang Jiechi, “Studying and Implementing Xi Jinping Thought on Diplomacy in a Deep-going Way and Opening up New Horizons in China’s External Work,” Ministry of Foreign Affairs of the People’s Republic of China, May 16, 2022, https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/202205/t20220516_10686371.html

²⁹ “Xi Jinping Delivers a Keynote Speech at the Opening Ceremony of the Boao Forum for Asia Annual Conference 2022.”

Beijing appears to be appealing to countries and constituencies that feel alienated by American foreign policy.³⁰

While such partnerships and initiatives may serve instrumental purposes for China, they do not offset China's hard power concerns about America's and its partners' capacity to hold Chinese interests at risk. Xi has exhorted that "a strong country must have a strong military, as only then can it guarantee the security of the nation."³¹ Under Xi, China's objective is to field a "worldwide first-class military."³²

Therefore, over the past decade, China has undertaken a sprawling set of reforms and investments to improve China's warfighting capacity. Defense spending has grown significantly, from \$182 billion in 2012 to \$293 billion in 2021.³³ The PLA Navy has expanded considerably; it is now the largest navy in the world by a count of hulls. Xi has reorganized China's seven geographically defined military regions into five theater commands that are defined by likely contingencies for which they would be charged to lead. He has elevated the status of the Second Artillery Command, now known as the PLA Rocket Force, reflecting the priority that China places on its long-range strike capabilities. China has also embarked on a massive expansion of its nuclear force, with the seeming goal of establishing mutual vulnerability with the United States.³⁴ In addition, it has created a new military branch at the theater command level, the PLA Strategic Support Force, to accelerate development of innovative technologies for warfighting purposes. Such efforts have been aided by a national policy of civil-military fusion to improve the PLA's capacity to acquire new and emerging technologies to bolster the country's

³⁰ Bonny Lin and Jude Blanchette, "China on the Offensive: How the Ukraine War Has Changed Beijing's Strategy," *Foreign Affairs*, August 1, 2022, <https://www.foreignaffairs.com/china/china-offensive>

³¹ "Full Text of Xi Jinping's Speech on the CCP's 100th Anniversary."

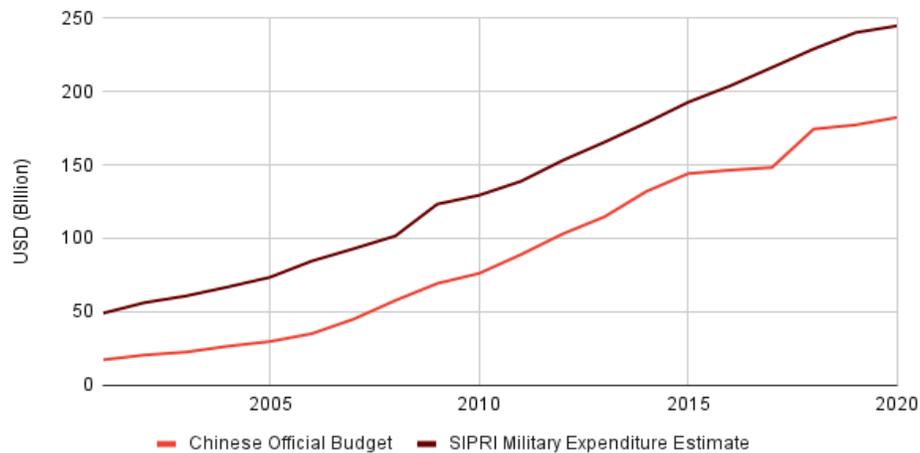
³² Xi Jinping, "决胜全面建成小康社会夺取新时代中国特色社会主义伟大胜利" [Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era], Xinhua, October 18, 2017, http://www.gov.cn/zhuanti/2017-10/27/content_5234876.htm

³³ "World Military Expenditure Passes \$2 Trillion for First Time," SIPRI, April 25, 2022, <https://www.sipri.org/media/press-release/2022/world-military-expenditure-passes-2-trillion-first-time#:~:text=China%2C%20the%20world's%20second%20largest,Plan%2C%20which%20runs%20until%202025>

³⁴ See Office of the Secretary of Defense, "Military and Security Developments Involving the People's Republic of China," U.S. Department of Defense, 2021, <https://media.defense.gov/2021/Nov/03/2002885874/-1/-1/0/2021-CMPR-FINAL.PDF>

warfighting capacity. Additionally, China has developed a domestic defense industrial base, allowing it to become the world’s second-largest arms producer, behind only the United States.³⁵

China's Military Spending



Sources: SIPRI Military Expenditure Database; Ministry of Finance of the People’s Republic of China, “Central Expenditure Budget Tables,” Central Budget and Final Accounts Public Platform³⁶

During this period, China also inaugurated its first *overseas* military base, in Djibouti. The opening of this base, combined with reports of Chinese ambitions to gain naval base access in Cambodia, the South Pacific, and elsewhere, has raised concerns in Washington about China’s military objectives. Maritime strategist Alfred Thayer Mahan theorizes that powerful countries need powerful navies to protect their interests. To become a maritime power, according to Mahan, a country requires assets in the form of maritime commerce, naval ships, and a network of naval bases to protect sea lanes of communication.³⁷ China clearly has met the first two of these requirements. Its seeming pursuit of a string of additional overseas naval bases has triggered opposition from the United States and its partners.

Evaluation of China’s foreign policy approach under Xi

Beijing believes it is making progress toward its goal of achieving a level of comprehensive national power (*zonghe guoli*) that will cause America to accept China as it is. This perception of comprehensive national power takes into account military, economic, and technological power, compared with that of the United States and its allies, as well as Beijing’s perception of trend-

³⁵ “New Sipri Data Reveals Scale of Chinese Arms Industry,” SIPRI, January 27, 2020, <https://www.sipri.org/media/press-release/2020/new-sipri-data-reveals-scale-chinese-arms-industry>

³⁶ “SIPRI Military Expenditure Database,” Stockholm International Peace Research Institute, <https://milex.sipri.org/sipri>; Ministry of Finance of the People’s Republic of China, “Central Expenditure Budget Tables,” Central Budget and Final Accounts Public Platform, <http://www.mof.gov.cn/zyyjs/gkpt/zyzfyjs/zyys/ysbb/>

³⁷ Bruce D. Jones, *To Rule the Waves* (New York: Scribner, 2021), 164-165.

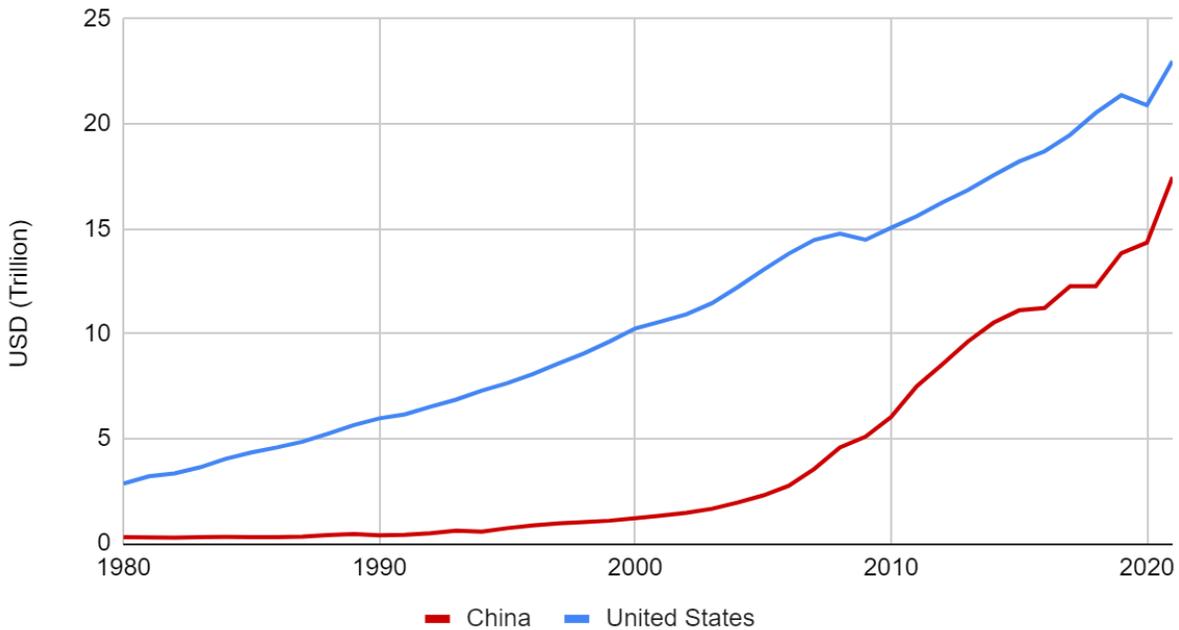
lines in the international system. As former Australian prime minister Kevin Rudd has observed, “Over much of the last five years, the internal discourse of the Chinese Communist Party has increasingly reflected the belief that this balance of power is moving rapidly in China’s favor, and that this trend is now irreversible.”³⁸

Several factors inform Beijing’s growing confidence that the wheels of history are turning in its direction.

First, the gap in economic output between the United States and China is shrinking.³⁹

Second, Beijing believes China’s leadership in the developing world is becoming stronger, and “the cumulative strategic weight of the developing world is rising within the international system.” Beijing views its leadership role in the BRICS grouping as an important vehicle for consolidating China’s leadership in the developing world.

Nominal GDP of China and the United States (1980-2021)



Source: International Monetary Fund ⁴⁰

³⁸ Kevin Rudd, “Rivals Within Reason?” *Foreign Affairs*, July 20, 2022, <https://www.foreignaffairs.com/china/rivals-within-reason>

³⁹ In 2012, China’s GDP accounted for 53 percent of America’s GDP; in 2021, it reached more than 70 percent. See Wang Jisi, “How, and Why, China-U.S. Relations Have Worsened Since 2012?”

⁴⁰ “World Economic Outlook (April 2022).” International Monetary Fund, April 19, 2022, <https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>

Third, China is proud of its achievements over the past decade. Its annual economic output has more than doubled. Its space vehicles have reached the moon and Mars. The country has launched an aircraft carrier and has come to be viewed as a global leader alongside the United States. Domestically, China has built the largest network of high-speed rails and the most highways in the world. The country has eradicated extreme poverty, improved air and water quality, and enhanced the quality of life for a significant share of its population.

Fourth, China believes it occupies an advantageous position in the U.S.-China-Russia strategic triangle, and the United States is disadvantaged in this configuration.

Fifth, China's confidence in its military strength – both in absolute terms and relative to that of the United States – is growing.

Sixth, there appears to be a widespread belief in Beijing that the United States is in decay, struggling with racial tensions, political polarization, a widening wealth gap, and populist fanaticism.⁴¹

Even so, China also confronts acute challenges. China's zero-COVID strategy has triggered an economic slowdown and popular discontent. GDP growth slowed from an average of 10.6 percent under Hu Jintao to 6.5 percent under Xi Jinping, and it likely will slow further in the coming years, owing to demographic headwinds, mounting debt, and flattening total factor productivity. China's statist economic orientation, its rigid zero-COVID policies, and its arbitrary crackdowns on various sectors have sapped its dynamism.⁴²

Externally, China's foreign policy is alienating it from those advanced economic powers in North America, Europe, and Asia that still wield significant global power. Many of China's BRI clients are facing debt distress; Beijing faces a balancing act in preventing financial crises in its BRI partner countries while also managing impacts on domestic stakeholders that are heavily exposed to BRI projects, such as the China Development Bank, the China Ex-Im Bank, and large state-owned enterprises.

China's global image is plummeting. According to a recent Council on Foreign Relations report, "This deterioration has occurred not only among leading democracies like the United States and Japan ... but also among developing countries in Africa, Asia, and Eastern Europe. ... This negative perception is a sharp reversal from China's recent heyday, in which China launched a massive soft power campaign in many developing regions; vowed to be a different, less interventionist major power than the United States; and rolled out massive sums for BRI."⁴³

⁴¹ The Chinese are not alone on this final point. The previous three inaugural addresses by American presidents have painted a dark picture. In the latest, in January 2021, President Joe Biden said, "Few periods in our nation's history have been more challenging or difficult than the one we are in now." For more, see Dan W. Drezner, "The Perils of Pessimism: Why Anxious Nations Are Dangerous Nations," *Foreign Affairs*, July/August 2022, <https://www.foreignaffairs.com/articles/world/2022-06-21/perils-pessimism-anxious-nations>

⁴² Dollar, "China's Mixed Economic Record."

⁴³ Joshua Kurlantzick, "China's Collapsing Global Image," Council on Foreign Relations, July 2022, <https://www.cfr.org/report/chinas-collapsing-global-image>

Beijing also has been frustrated by a series of actions by the United States and its partners to strengthen cohesion in response to those challenges posed by China. This has included commencement of the Australia-United Kingdom-United States (AUKUS) alliance to develop nuclear submarines and other advanced military technologies; elevation of the Quadrilateral Group (Australia, Japan, India, and the United States) to level of the leaders; the revival of coordination among Japan, South Korea, and the United States; NATO's declared policy of becoming more active in the Indo-Pacific; and growing support for Taiwan by Japan, the United States, and others.

In response to these mounting challenges at home and abroad, the Chinese Communist Party has been increasing its reliance on nationalism and repression. Beijing now spends more on domestic security than it does on the PLA. Chinese domestic security services have become more aggressive in stifling domestic dissent, tightening control of information, throttling potential alternate sources of political influence, and clamping down on ethnic minorities in Xinjiang and elsewhere. At the same time, Chinese leaders, spokespeople, and official media have been dialing up invocations of American hostility toward China, using such hostility as a justification for the need of the country to rally around its core leader to resist external pressures.

Such a combination of domestic and external challenges has led some Western analysts to suggest that in the coming years China will struggle to sustain its rise in overall national power.⁴⁴ Judging by China's domestic discourse, however, China's leaders remain optimistic. They believe the future distribution of power will be more favorable to them than is the present distribution.

There always has been a gap between how China perceives its performance and how those abroad view China's actions from abroad, but the gap generally has not been as wide as it appears to be now. This may partly be a function of the fact that China is essentially quarantined from the rest of the world, more so than at any time since the Cultural Revolution. China's tightly curated information ecosystem also is more closed to outside news and opinion analysis than it has been at any point since the dawn of the Internet age.

As a consequence, completely different narratives are developing around various events. A military parade may stir pride in China but arouse alarm abroad. China's wolf warrior diplomats may be seen at home as justifiably defending national honor, while they are viewed as symbols of arrogant bullies abroad. China's dynamic zero COVID-19 policy might be seen as a necessary public safety measure at home but as a scientifically baseless disruption to global supply chains abroad. Similarly, a mass shooting incident in the United States might be seen as a tragically common occurrence to Americans, but as a sign of America's unraveling to Chinese.

Where does China's foreign policy go from here?

After Xi almost certainly secures a third term as general secretary at the 20th Party Congress this fall, he likely will concentrate national efforts around a strategy to overcome perceived Western hostility to China's rise. He will not be content to be reactive to external events, and he will not

⁴⁴ Hal Brands and Michael Beckley, "China Is A Declining Power—and That's The Problem," *Foreign Policy*, September 24, 2021, <https://foreignpolicy.com/2021/09/24/china-great-power-united-states/>

pursue preservation of the status quo. Rather, he will work proactively to create an international environment more conducive to China's continued rise.

This likely will involve continued increases in China's overall military capabilities. It likely also will involve expanded uses of hard power to raise the costs and risks to the United States and its allies of challenging China's "core interests." Beijing will measure progress by how well it is able to drive the United States and others away from operating militarily on China's immediate periphery. It also will seek to strengthen efforts to deter countries from intervening in future Taiwan military scenarios.

With Taiwan elections approaching in late 2022 and 2024, Beijing likely will pursue policies designed to influence voter attitudes in Taiwan. During the past two years, China has announced that it does not recognize a median line in the Taiwan Strait and that it does not recognize those waters as international waters. Beijing's militarized response to an August visit by House Speaker Nancy Pelosi to Taiwan, which included persistent PLA air and naval penetrations of the centerline of the Taiwan Strait, seemed designed in part to signal China's non-recognition of the median line in the Taiwan Strait. Expect Beijing to look for further ways to alter the cross-Strait status quo in the coming years.

More broadly, Xi likely will see the coming years as an opportunity to tilt global influence more in China's favor. Beijing likely will invest in deepening its influence in the Global South, where China continues to enjoy receptivity for its development assistance.

The United States is teetering on the brink of recession. With the Republican Party poised to capture control of at least one chamber of Congress in the midterm elections this fall, there likely will be legislative gridlock for the next two years. Meanwhile, the United States is entering into a presidential election cycle that could come to resemble a brawl for the soul of the country.

In other words, the United States will be experiencing strong centripetal forces at the same time that China may be unshackling itself from several years of self-imposed COVID-19 quarantine. China's transition out of lockdown will unleash pent-up economic energy and a surge of consumption inside the country. It also is likely that it will generate momentum for China to return to playing to its strengths on the world stage. This will include frequent and productive senior-level travel to priority countries, active efforts to spur trade and investment, and focused initiatives to influence international institutions and regional fora.

Whereas former paramount leader Deng Xiaoping preached patience, Xi is a study in impatience. He sees a world in which China is viewed as the central power in Asia, a leading power on the world stage, and a country that is both respected and feared, with a governance and economic model seen as legitimate and worthy of emulation. He has demonstrated a capacity for coordinating the levers of national power in pursuit of his priorities. While nothing about China's continued ascent is assured, one thing is clear. Xi is determined to move China in the direction of his vision of national rejuvenation, consequences be damned.

About the Contributor

Ryan Hass is a senior fellow, the Michael H. Armacost Chair, and the Koo Chair in Taiwan Studies at the Foreign Policy Program of the Brookings Institution. He is also a nonresident affiliated fellow at the Paul Tsai China Center of Yale Law School. Prior to joining Brookings,

Hass served as director for China, Taiwan, and Mongolia at the National Security Council (NSC) from 2013 to 2017. In that role, he advised President Obama and senior White House officials on all aspects of U.S. policy toward China, Taiwan, and Mongolia, and coordinated implementation of U.S. policy toward the region among U.S. government departments and agencies. Prior to the White House, Hass was a Foreign Service Officer, serving overseas in Beijing, Seoul, and Ulaanbaatar, and domestically in the State Department Offices of Taiwan Coordination and Korean Affairs.

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