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Year in Review

- 1) What is the current state of the social contract between the CCP and the Chinese populace? What do Chinese citizens expect from the CCP, and how satisfied are they with the CCP’s performance? How have these changed over time?

It is incorrect to refer to the arrangement between the Chinese people and the CCP as a “social contract” as this implies that both sides have entered into the contract knowingly and freely. This is clearly not the case as there is no way for Chinese citizens to express their views on such a “contract.” That said, there seems to be an implicit agreement on the part of many that the CCP is expected to deliver stability, economic progress, and social support for its citizens.

This is referred to as “performance legitimacy.” It is distinct from CCP appeals to ideology or nationalism. It is pragmatic in nature with concrete goals covering economic growth, stability, and the enhancement of national power. “Performance legitimacy” is fragile as measures such as good performance can wax and wane. It is inherently unstable and thus is insufficient for maintaining power, as citizens will grow used to the progress, pushing government to produce ever better outcomes to maintain its rule.

If the economy continues to slow and the largesse to dispense benefits diminishes, does this mark the end to legitimacy based on economic performance? Recognizing this inherent flaw, since 2002-03, the CCP has invested more in social policies, which appears to have had a positive impact. All available surveys of Chinese citizens’ attitudes about government performance tell the same story, with relatively high levels of satisfaction with Central government and increasing dissatisfaction as government gets closer to the people. This has even held true with the Chinese government’s response to Covid-19. China’s citizens initially expressed outrage at local government mishandling of the response, but this was soon followed by general support once the country’s central government took tough action to lock down the city of Wuhan, followed by a shutdown of most of the country. This positive sentiment was reinforced by the Chinese media portraying “how badly” other governments had performed in controlling the virus.

There are three predominant analyses about how citizens view their government and what the likely consequences might be. **First**, there is the view that the government is sitting on a “**social volcano**” stoked by the rising expectations, worsening income inequality, and with citizens now having alternative information sources, there could be a crisis that triggers large-scale political unrest. **Second**, there is the view that “**performance legitimacy**” has been effective with citizens crediting the CCP for decades of rapid income growth and therefore they are not likely

to challenge its rule, unless performance drops precipitously. **Third**, there is the view that maintains that the CCP's **grip on social order** is so powerful that even a clear failure of leadership would be unlikely to affect the loyalty of most Chinese citizens.

To understand citizen satisfaction with government performance between 2003 and 2016, we at the Ash Center for Democratic Governance and Innovation analyzed the results from a series of surveys to assess levels of citizen satisfaction by combining such survey results with economic data.ⁱ Obviously, satisfaction is not the same as legitimacy, but our findings shed light on the durability of regime resilience. The survey has **two general findings** (see figure 1). **First**, like many others, the survey confirms that **respondents “disaggregate” the state**, and while they express higher levels of satisfaction with the Central Government, satisfaction declines with each lower level of government, which provide most public goods and services. This is the reverse of the USA where satisfaction is higher with local government and lower with Federal government. In 2016, 93 percent of respondents were satisfied with the Central government (but only 32 percent were “very satisfied”). At the township level, while 70 percent were satisfied, only 13 percent were “very satisfied.” **Second**, it is noticeable that across the board, **satisfaction levels have risen since 2003**.

Further, we tried to understand which services citizens were most satisfied with and which they wanted the government to pay more attention to (Figure 2). **First**, there are higher levels of satisfaction with the public goods and services that the central planning system is good at delivering (water and electricity provision, constructing roads and bridges, maintaining social order). **Second**, those services that citizens thought were most important but where they were least satisfied were those that are created by the reforms and that tend to be household or individual based (combatting corruption, creating employment, medical services). There are two other points worth noting here. First, family planning often enjoyed the highest marks for satisfaction. This is not surprising, given that family planning was a government priority. However, when asked how important it was for government to be involved in this work, respondents indicated that **family planning was not seen as an important task** for government. Second, when at the time the survey began, environmental health and governance was not seen as highly important. As pollution has increased and the government has talked about it more, citizens have started to view **environmental protection and health as very important** and are not satisfied with government work.

In terms of whether there is the potential for a “**social volcano**” to threaten the regime, two further findings are important. **First**, between 2003 and 2016, in both rural and urban areas, **average satisfaction with local government increased significantly faster among low-income individuals** than among high-income individuals. **Second**, average satisfaction **increased significantly faster in China’s periphery** than in the wealthier coastal and eastern areas. This difference was more pronounced at the local government level and in the countryside. These improvements are explained by local-scale changes in quality of life and government service provisions. Satisfaction generally increased when the combined percentage of the local budget spent on healthcare, welfare, and education was increased.

Thus, citizen perceptions of government performance respond most to real, measurable changes in individuals' material well-being. This raises challenges. There remains good will toward the central government that is not identified with the problems that seem to blight the performance of some local governments. However, seemingly stable authoritarian regimes can unravel quickly, and citizen frustration can spill out onto the streets. The Xi Jinping administration has received mixed yet increasingly supportive responses in terms of citizen satisfaction. This cuts both ways, however. The rejection of any meaningful political reform would indicate that absent coercion, the administration will remain increasingly reliant on ensuring citizen satisfaction via the provision of public goods and services. Satisfaction trends can reverse, citizens accustomed to increases in living standards and the benefits they are provided will expect them to continue.

There are **three challenges**. The first two depend on how well the government deals with the problem of **corruption** and the **environmental damage** that have been part and parcel of the reform program. The third relates to the levels of **local government debt**. The ability to continue providing public goods will depend on there being adequate fiscal revenue. We know that many local governments in China are heavily indebted and this could diminish their ability to keep up social investment. If economic growth continues to decline, providing adequate financial support could become more problematic. In 2018, local government debt was already calculated to be 44 trillion *yuan* and in 2020, the Chinese government has been using debt spending to try to keep the economy moving in response to Covid-19. In the first five months of this year, local government added a further 3 trillion *yuan* (compared to 1.9 trillion *yuan* in 2019) and the government issued an extra 1 trillion *yuan* in government special purpose bonds to fund infrastructure projects. These debts combined with the aging of the population will place a major strain on government budgets and China might find itself locked into the common "guns versus butter" debates.

- 2) Please address the impact on regime legitimacy of the CCP's ability to achieve the key economic development goals it has set for itself this year, such as achieving a "moderately prosperous society in all respects." What other forms of legitimacy underpin societal perceptions of the CCP and what forms of legitimacy is the CCP prioritizing?

Given the vulnerability of relying on performance alone, the CCP has been attempting to promote deeper forms of legitimacy for its rule. Concerning achievements for this year, there are **two main goals**: eradicating absolute poverty and doubling the size of the economy since 2010 to produce a "**moderately prosperous society in all respects**." One thing we do know is that official statistics will reflect what the leaders want them to show and local officials will prioritize meeting key objectives set down by the Central leadership. Thus, there is a reasonable chance that on paper these objectives will be met. However, there are certain caveats. It was instructive that at the meeting of the National People's Congress (May 2020), the Premier did not offer any projection for the 2020 growth rate, indicating that the government was not sure about the impact of Covid-19 on the economy. While in the first quarter of 2020, GDP

contracted by 6.8 percent, it increased by 3.2 percent in the second quarter. Optimistic accounts suggest that the economy might expand by 2.5 percent over the whole year. This might just be enough for the CCP to declare that it had basically achieved its economic goal.

Poverty alleviation is complex. There is no doubt that the reduction of those living in absolute poverty has been impressive but we need to understand what has caused this reduction. General Secretary Xi Jinping (October 2015) has set the eradication of absolute poverty (not enough food to eat, inadequate shelter and clothing) as an absolute priority for 2020. Before Covid-19 struck, there were estimated to be 5 million people living below the Chinese official poverty line of 2,300 *yuan* (\$324). The government was intending to invest 146 billion *yuan* this year to meet the objective. The World Bank line is \$700 and in May 2020, China's Premier stated that there were still 600 million people with a monthly income of 1,000 *yuan* (\$140) or less. Covid-19 has clearly impacted on poverty levels and a Stanford University study revealed that 92 percent of respondents in surveyed villages saw their income reduced by pandemic prevention measures.

There are four general points about understanding poverty alleviation. **First**, on the whole **government direct interventions have not been very effective** and most of the reduction in poverty has come from policies that freed farmers from collective labor, opened up markets, and increased the availability of off-farm employment opportunities. The most dramatic decline occurred 1978-85 before China set up a poverty alleviation program because of these general pro-rural policies. **Second**, currently **local officials know that poverty alleviation is a key priority** for their work and thus direct attention and funds to this. Once the target is achieved, will they pay as much attention moving forward? **Third**, there is a rising number, admittedly still small by comparison, of **urban poor** who often are not included in the statistics. **Finally**, there is the challenge of **those who fall back into poverty** and these are also often missed in the official statistics. Illness is identified by over 40 percent of households as the main cause of poverty. Thus, a large percentage of the population live just above the poverty line who remain vulnerable.

Given the fragility of "performance legitimacy," it is not surprising that the CCP leadership has sought to establish alternative sources of justification for their rule. Crucial for Xi Jinping is a unified, strong, centralized party to implement his policies. For those party members, the study of Marxism has been strengthened as it has for those in the media and the universities. For others, the party is promoting **nationalism, historical justification, and cultural appropriation**. Following the 1989 student-led protests and the collapse of the Communist Party of the Soviet Union, patriotic education was intensified for all students. Inevitably, this led the public to adopt more critical views of Japan (the old foe) and the United States (the new foe). In turn, this has laid the groundwork for a more assertive form of nationalism under Xi Jinping, which finds strong support among some online activists (netizens) within society. The promotion of nationalism is aided by the indigenous nature of the revolution, which not only permitted the CCP greater flexibility with domestic policy, but also informed its global stance. Unlike the former regimes in Eastern and Central Europe, the CCP came to rely on its self-told history of humiliation at the hands of foreigners to enhance its legitimacy. Drawing on China's own

traditions facilitates a strong argument for Chinese exceptionalism, underpins the promotion of pride in the party's achievements, and is a source of nationalist sentiment. This inheritance also necessitates maintaining territorial integrity, a territory that is based on the late-Qing dynasty and is the most expansive in Chinese history. It defines Tibet and Xinjiang as integral parts of China and justifies that Taiwan must be reunited with the "motherland." However, the CCP is concerned to keep nationalist sentiment in check as, on occasion, strong nationalist sentiment has caused some to turn on the party for being too weak in challenging other powers.

History has always played an **important role in CCP justification** for its rule. The party has ensured this in two ways. First, official history is constructed to place the CCP and its leaders at the center of all that is good (even if that history changes). Second, and more recently, the CCP has appropriated elements from the Chinese tradition that are useful to its rule. The "correct" retelling of history and control over narrative are crucial elements of the CCP's legitimacy to rule. Chinese history is carefully nurtured, promoted, and disseminated by the party. Failure to accept the official history indicates a lack of loyalty and, even worse, opposition. However, this "**historical legitimacy**" is fraught with problems and explains the party's need to keep a tight grip on the history that is told.

With the talk of moral decay, the loss of faith in Marxism, and the lingering influence of "Western liberal values," the CCP leadership turned to a **selective interpretation of traditional culture (especially Confucianism)** to bolster the appeal to socialism and to portray the CCP—not the nationalists in Taiwan—as the true descendent of the imperial past. Xi Jinping's claim that the CCP is the genuine "successor" to China's glorious past is remarkable. When the CCP took power in 1949, and especially during the Cultural Revolution, the CCP portrayed itself as representing a radical break with the past, dedicated to destroying the vestiges of a feudal culture. The notion that the CCP has inherited and developed good practices and moral principles from the Chinese tradition seeks to anchor CCP legitimacy as the rightful inheritor of all that is good in China's past.

When things are going well, these other sources of legitimacy may be appealing but it remains to be seen how robust they might be in a severe downturn or a time of crisis.

- 3) How secure do Chinese leaders view their regime as being and what means have Beijing employed to maintain or increase its security? How effectively do they believe they have addressed endemic corruption and overcoming vested interests?

Outwardly General Secretary Xi Jinping expresses a strong, confident persona and yet a regime that needs to suppress alternative views, rail against "bourgeois" influences, arrest dissidents, and repress populations such as the Uighurs, seems to present a different picture of concern and lack of confidence.

The concerns of the leadership were laid out in "**Document Number Nine**" (April 2013) and made the ensuing tough stance clear. Many in China's intellectual community were shocked by one of the most conservative documents issued during the years of reform. The document

outlines **seven topics that should not be discussed**. The document is interesting in that it reveals the streams of thought circulating in Chinese intellectual circles. First, those who promoted “Western constitutional democracy” were criticized for negating the positive features of the Chinese socialist system. Claims of “universal values” shook the party’s ideological and theoretical foundations. Promotion of “civil society” undermined the social basis of the ruling party, and the promotion of “neoliberalism” was viewed as an attempt to change the basic economic system. Not surprisingly, “press freedom” was rejected. Finally, anyone who questioned the policy of reform and opening-up denied the party’s “line” and principles. Resorting to a common refrain, “Western influence” was blamed for many of the ills with which China was wrestling. The document criticized Western embassies, consulates, and NGOs for spreading Western values and cultivating anti-government forces. Outsiders used “dissidents” and “human rights activists” to promote their objectives, and the self-immolations in Tibet and the unrest in Xinjiang were the result of “outside manipulation.” Clearly, the CCP remains incapable of accepting responsibility for the outcomes of its own actions.

The CCP has developed its own narrative about its right to rule and is threatened by alternative narratives. This is clearly the case with respect to Xinjiang and Tibet, where inhabitants have a point of reference outside of China and an alternative history. Most recently, this has become clear with respect to Hong Kong. The leadership has taken a very tough line on the issue of the northwestern province of Xinjiang and is intent on crushing any independent Uighur identity once and for all. Two things have driven this harsher approach. **First, Xinjiang is a crucial artery for the corridor of the Belt and Road Initiative through Central Asia. Second, there is a fear that independence activity in Xinjiang may link up with groups across the border.** The possibility for a harsher response was set by Xi Jinping following his 2014 visit to Xinjiang when, in addition to calling for development and integration, he proposed a “people’s war on terror” to combat separatism, terrorism, and religious extremism, with “absolutely no mercy” to be shown. Xi had reacted strongly to three “terrorist” attacks in the spring. This led to abandoning the long-held belief that economic investment and growth would develop the problem away. A campaign of “mass reeducation” was required.

In 2016, the party secretary of Tibet was moved to Xinjiang, bringing with him the tougher practices that he had implemented while working in Tibet and soon reports began to surface about “reeducation camps” in the province. The CCP hopes that assimilation, repression, and eradication of local culture will resolve the problems. However, this seems unlikely and, over time, may even increase the challenge over time.

In Hong Kong, what appeared to be protests about a narrow topic of extradition of “criminals” burgeoned over the spring and into 2020 and turned into a movement that called for democratic and other reforms in the Hong Kong SAR. As the demonstrations progressed, sentiments went beyond the question of extradition, and four more demands were added: for the Chief Executive to step down; an inquiry to be launched into police brutality; for those arrested to be released; and greater democratic freedoms. Underpinning this is a general sense in Hong Kong that “**one country, two systems**,” which guarantees Hong Kong’s way of life until 2047, **was being eroded** as Beijing chipped away at freedoms and Hong Kong identity.

During the Umbrella Movement (2014), Chinese officials signaled that the Sino-British Joint Declaration (1994), which effectively enshrined the principle of “one country, two systems,” was no longer valid. This shifting attitude toward the agreement on Hong Kong’s autonomy was clearly signaled in 2017 when the Ministry of Foreign Affairs stated that the Joint Declaration was an historical document with no current practical significance, a position reiterated by Beijing’s Hong Kong liaison office in 2020. However, the document is a legally valid agreement that was deposited with the UN (1985) and according to British authorities remained in force. Such measures and statements challenged Hong Kong’s identity and created uncertainty about how long the Beijing leadership would remain committed to the fifty-year process. **While Hong Kongers stressed the “two systems,” Mainlanders tended to emphasize the “One Country.”**

Beijing’s strategy has stressed that Hong Kong’s future is tied to that of the Mainland and through this linkage, all will enjoy economic success. This may be true for the tycoons, but it is not the case for many young people who experience unaffordable housing costs and dismal job prospects. **Identity has trumped the claim of economic prosperity offered by Beijing.** As in Tibet and Xinjiang, and even in Taiwan, the CCP leadership thinks that such problems can be developed away. The initial response in Beijing was to impose censorship on reporting about the demonstrations, but as they continued and spread, the propaganda network moved to present scenes of chaos and violence. The party resorted to its usual defense that the situation was created by a handful of instigators and that foreign forces (the UK, the United States, and Taiwan) were behind the movement, a view echoed by supporters in Hong Kong. The adoption in Beijing of the National Security Law, rather than by the Hong Kong authorities, was the culmination of the CCP’s response to the situation in Hong Kong. The proposed legislation is tougher than that which failed in Hong Kong in 2003 and criminalizes subversion, separation, terrorism, and foreign interference. Despite pronouncements that this would not affect Hong Kong’s freedoms, it provides Beijing with increased license to intervene in Hong Kong. Indeed, a number of arrests have occurred, books have been removed from libraries, and critical academics dismissed. The principle of “one country” was clearly prioritized as the foundation for the implementation of the “two systems.” It is highly unlikely that the divisions can be healed and Beijing’s policy of “one country, two systems” has failed, while Hong Kong’s future as a major business and financial center is unsure.

In terms of overcoming **vested interests**, it is indicative that the priorities set out by the Hu Jintao and Wen Jiabao leadership in 2002-03 remain the same almost twenty years later. This reveals how difficult it is to shift the fundamental structure of the system that has consolidated during the reform years. On multiple occasions, the leadership, including that of Xi Jinping, has stressed that **the economic model that served China well previously needed to undergo significant change moving forward.** The reliance on state investment and exports has reached its limit and consumption needs to be developed as a major driver of growth. This requires a greater emphasis on the quality of production rather than quantity, a greater role to be given to market forces in determining allocation etc., enhanced productivity, which would come from the non-state sector (as productivity and return on investment have been declining in the state-owned sector), and a shift to more effective environmental policies. This agenda seemed to

represent the core CCP policy in November 2013 but subsequently, there has been little progress in reform momentum. Even before the onset of Covid-19, the key economic role that state-owned enterprises would play was reasserted. Reform is more difficult to implement because of opposition from “**vested interests**” (state monopolies and real estate and energy industries that benefit from close connections to local governments and central ministries) that lie at the core of the planning system set up by the party.

Xi Jinping sees the state-owned enterprises as providing the core of the domestic economy and central externally through the Belt and Road Initiative. Xi Jinping has stated that state-owned enterprises are “an important foundation of Communist Party rule.” The 2017 Party Constitution contains the following phrase: “The leading party member groups of party committees of SOEs shall play a leadership role, set the right direction...and discuss and decide on major issues of their enterprise in accordance with regulation.” This goes further than previous statements. Domestically, this centrality has become even clearer with the post-Covid-19 recovery, as investment allocation has favored the sector. **Externally, SOEs are at the center of China’s outbound investment.**

As a part of Xi’s drive to restore the party’s credibility in the eyes of the people, he has implemented the **strongest campaign in recent memory against corruption** within party and government ranks. The length and persistence of the campaign against corruption caught most observers by surprise. The movement was to catch “tigers and flies,” that is, senior officials as well as those working at the grassroots. Later, “foxes” were included, referring to those who had fled overseas with their ill-gotten gains. The highest profile “fox” was the Chinese head of Interpol who was brought back in September 2018 and, in January 2020, was sentenced to 13 years imprisonment. A further colorful phrase is “naked officials,” that is, those who remained in China while their families relocated abroad. In 2014, regulations were introduced barring any such officials from promotion.

Some felt that the campaign was merely a ploy to remove political opponents, a view reinforced by the removal and subsequent charges against Bo Xilai, which had paved the way for Xi’s ascendancy. Nevertheless, it is clear that Xi and his supporters wanted to use the movement to broaden beyond a factional struggle to help restore party prestige. By late 2018, 2.7 million officials had been investigated and over 1.5 million were punished. Despite the initial sense that, similar to previous efforts, the campaign would soon wind down, the numbers have increased over time, with 172,000 cases in 2013 and 621,000 cases in 2018. The current campaign has netted seven national leaders, two dozen ranking generals, and 58,000 who have been tried by prosecutors, two of whom have been sentenced to death.

The campaign has proved popular, but citizen suspicion remains. In the earlier surveys of what citizens think about government performance under Hu and Wen, dealing with corruption always ranked as the area of work with which they were the most dissatisfied. Given the regular exposure in the press of spectacular cases of corruption, it is not surprising that this is a major concern. Without allowing external mechanisms to engage citizens and the media to expose

corruption and to hold officials accountable, and without serious structural reforms, the factors that lead to corruption will not be eradicated.

During Xi Jinping's rule, **popular perceptions of the honesty of local officials have improved slightly but it is clear that citizens do not see the problem as eradicated.** In the 2016 survey, 10.1 percent thought that government and government officials were very clean (up from 2.6 percent in 2011, see figure 3), while 4.4 percent thought they were very unclean (down from 8.4 percent in 2011). The strength of the campaign has affected citizens' views about the determination of the government to deal with corruption. During the initial years, the percentage of respondents who felt that the government was strongly committed to fighting corruption rose to 31.9 percent (in 2014). However, perhaps indicating that people were tiring of the campaign, the figure dropped to 26.6 percent in 2016. Even though 50 percent thought that corruption had declined, there were still 20 percent who felt that it had increased. Although perceptions are changing, large percentages still see corruption as part and parcel of daily life, suggesting that should the pressure be lifted, there is a potential for a return to previous practices.

- 4) How does China's domestic governance affect its external behavior, and is increasing emphasis on ideology in domestic governance changing its foreign policy?
- 5) Do you see 2020 as an inflection point in the Chinese leaders' worldview? If not, what are other defining moments shaping their current approach?

I have combined these questions as there is considerable overlap.

I do not see 2020 as an inflection point in the leaders' worldview but rather the culmination of changes that have taken place over the last decade or more. There are **three key moments** that have led to this change. **First, there was the collapse of the Soviet Union**, which allowed the CCP to focus on the "Chineseness" of its own revolution and stress the particularities of China to persuade people that "only socialism can save China." A number of witty students claimed "only China can save socialism." The brand of socialism the CCP proposed would combine the best elements of traditional socialism and the innovations of its application to China. The way forward was to promote carefully guided economic reform under an authoritarian political structure that would prevent the possibility of social dislocation leading to chaos and upheaval. Whatever was useful in both the traditional and the present order would be adopted and, when appropriate, some best economic practices from the West could be introduced gradually. The proponents of this view at that time, are among the generation that rules China today. **Second**, this laid the grounds for **elite and public perceptions of the West to become more critical as the nation has grown more powerful economically.** A noticeable turn in opinion followed the 2008-09 global financial crisis, which led to a questioning of the West's economic model and its general competence.

The **third development** has been the **consolidation of power by Xi Jinping.** He has strengthened the emerging trends but has been more assertive about China's global role, given its growing economic importance to many nations. Xi is certainly more ambitious in the

international arena than his predecessor Hu Jintao, and his slogan of the “rejuvenation of the Chinese nation” projects his vision. The CCP is now willing to step up global leadership in those areas from which the United States has withdrawn, redressing the relationship with the United States and within the Asian region. At a December 2014 Politburo session, Xi noted that China was now embarking on a “new round of opening to the world,” emphasizing that China would no longer be passive in global economic governance. He stated: **“We cannot be a bystander but must be a participant, a leader.”** Further at the Nineteenth Party Congress (October 2017), Xi announced that by 2050 China would be a “global leader in terms of composite strength and international influence,” and in June 2018, the notion of “foreign policy with Chinese characteristics” was proposed.

Deng Xiaoping’s mantra of “hiding one’s capabilities and biding one’s time,” namely keeping a low profile and not claiming leadership was buried at the November 2014 Central Conference on Work Relating to Foreign Affairs” and replaced by Xi’s desire to adopt a more active international role. The gathering was one further step in the centralization of power in the hands of Xi. **The starting point for action derived from the assessment that the USA was in relative decline and that the US would not confront China militarily as China sought to expand its regional presence throughout the region.** China’s economic importance to many countries would enable it to exert greater influence. This prefaced a number of actions over the next few years: the reclamation of islands in the South China Sea, the Belt and Road Initiative push, the development of alternative institutions for global affairs such as the AIIB, and the development of a string of naval bases overseas.

The second Conference in June 2018 pushed this agenda further while **tightening Xi’s grip over the foreign policy establishment.** The meeting also asserted the grip of the party and ideology over foreign policy rather than the technocratic working of state bureaucrats. Foreign policy officials were reminded that first and foremost they were party cadres. Marxist analysis and Xi’s thought were now to guide China’s actions in the global sphere. Historical materialism confirmed the prior assessment that the global order was at a turning point conducive to China expanding its influence while the USA and the West was in decline. **Xi announced that China would lead the reform of the global governance system with the concepts of “fairness and justice.”** What we have seen emerging subsequently is a more nationalist, assertive foreign policy that is based on China’s core interests. Those institutions that serve its purpose (such as the WHO), it will work to strengthen, while seeking to weaken or emasculate those international agencies that do not support its purposes (Human Rights Council).

This more aggressive stance is best revealed by the maneuvers in the East and South China Seas, the passage of a National Security Law (in Beijing) that will govern Hong Kong, and the rise of an assertive “Wolf Warrior” diplomacy. The dual assertion of China’s success and its mistreatment at foreign hands has led to a more aggressive breed of Chinese diplomat not afraid to criticize those countries within which they are posted. This is a new generation of diplomatic “wolf warriors,” (named for the successful chain of movies) who appeal to the strident nationalist voices within China. Eschewing polite, diplomatic language, they aggressively counter comments they deem to be anti-China and often use pithy statements

encouraged by the diplomats' access to Facebook and Twitter, both banned within China. This approach was given a seal of approval by China's Foreign Minister, Wang Yi, in May 2020 when he noted that China would push back against "deliberate insults" and "resolutely defend [its] national honor and dignity." As China came under criticism internationally for its handling of the outbreak and spread of Covid-19, a number of its diplomats hit back, accusing foreign governments of incompetence and defending China's own actions. While this style of diplomacy has been met with approval among nationalist circles, others within both the diplomatic community and the international affairs academic community have expressed caution. They have warned that this more aggressive response may play well at home but is damaging China's reputation globally.

6) What are your recommendations for Congressional action related to the topic of your testimony?

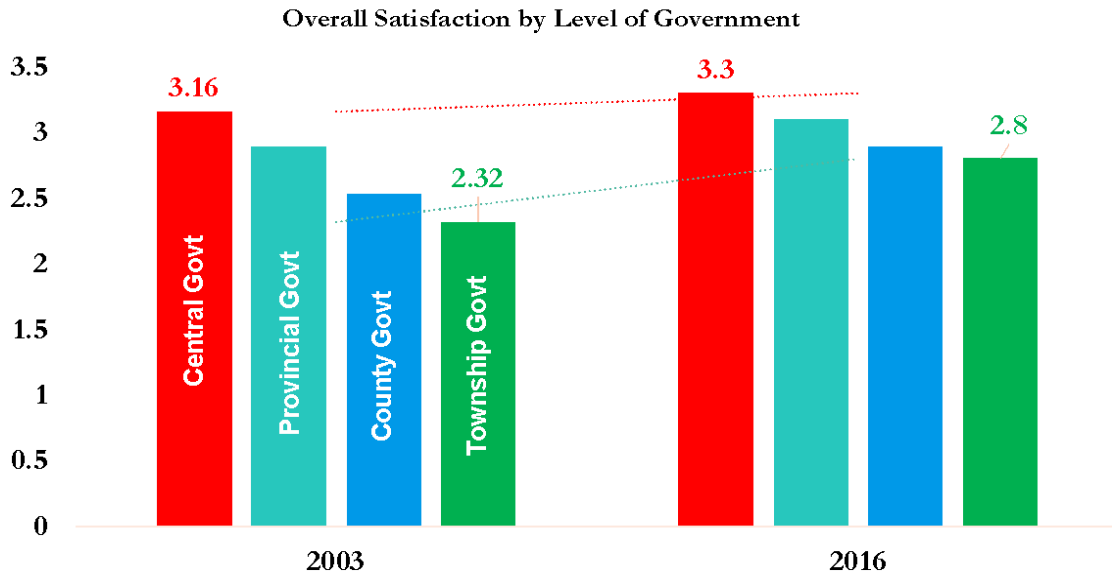
It is highly unlikely that any policy measures adopted in the US will change the nature of governance in the People's Republic at the present time. The Chinese leadership seem to have decided that any costs with respect to treatment of the Uighurs and Hong Kong are manageable. Sanctions might provide some comfort to those in China or Hong Kong who are being repressed and send a positive signal to the international community, if they are followed up with coordinated support. Obviously, the US has advantages that should be enhanced in the fields of energy, demographics, our research universities, technology (biotech and AI), alliances and international institutions

While there may be little that can provide direct influence, I think there are two basic principles. First, as opposed to simply banning activities or Chinese products, I think that the emphasis should be on reciprocity. Thus, **rather than only banning Chinese apps, we should make sure that non-Chinese apps can operate within China.** Google as a search engine is far superior to Baidu, for example. Second, **actions should be taken in concert with other nations as this is what China fears most.**

There may be more ability to impact China's behavior globally, especially with respect to the management of new global public goods where the international architecture is not yet fixed. I would divide these into three categories:

- Global Commons
 - Climate change
 - Fisheries
 - Water shortages
- Global Engagement
 - Natural disasters
 - Peacekeeping
 - Fighting infectious diseases
- Global Regulation
 - Finance and trade regulations
 - Cybersecurity

1 Trends: Satisfaction Rise, but Hierarchical Gap



2 Which Services? Satisfaction vs. Importance – 2016

High Importance/Low Satisfaction <ul style="list-style-type: none">Environmental HealthEnvironmental GovernanceCombatting CorruptionEmployment CreationMedical ServicesTraffic Management	High Importance/High Satisfaction <ul style="list-style-type: none">Water and Electricity ProvisionRoad and Bridge ConstructionMiddle/Elementary School ManagementSocial OrderHealth Insurance
	Low Importance/High Satisfaction <ul style="list-style-type: none">Cultural/Educational FacilitiesMarket ManagementTax ManagementFamily Planning

From Acceptance to Anti-Corruption

3 Public Perception of the Integrity of Local Government Officials (%)

	2007	2009	2011	2015	2016
Very unclean	5.2	6	8.4	8.8	4.4
Not so clean	41.6	42.8	46.8	44.7	24.9
Relatively clean	40.1	41.2	32.8	39.4	55.1
Very clean	1.2	1.5	2.6	4.8	10.2
Refused	0.9	0.8	0.6	0.3	0.4
DK	<u>11.1</u>	<u>7.8</u>	<u>8.8</u>	<u>1.9</u>	<u>4.9</u>
Total Unclean	46.8	48.8	55.2	53.5	29.3
Total Clean	41.3	42.7	35.4	44.2	65.3

ⁱ Regular surveys of seven sites were conducted of about 4,000 respondents regarding their levels of satisfaction with government provision of services. Sites were chosen based on their geographic locations, average income, and populations.