

Something Old, Something New

Continuity and Change in China's Foreign Policy

Andrew Scobell

CT-A774-1

Testimony presented before the U.S.-China Economic and Security Review Commission on September 9, 2020.



For more information on this publication, visit www.rand.org/pubs/testimonies/CTA774-1.html

Testimonies

RAND testimonies record testimony presented or submitted by RAND associates to federal, state, or local legislative committees; government-appointed commissions and panels; and private review and oversight bodies.

Published by the RAND Corporation, Santa Monica, Calif.

© Copyright 2020 RAND Corporation

RAND® is a registered trademark.

Limited Print and Electronic Distribution Rights

This document and trademark(s) contained herein are protected by law. This representation of RAND intellectual property is provided for noncommercial use only. Unauthorized posting of this publication online is prohibited. Permission is given to duplicate this document for personal use only, as long as it is unaltered and complete. Permission is required from RAND to reproduce, or reuse in another form, any of its research documents for commercial use. For information on reprint and linking permissions, please visit www.rand.org/pubs/permissions.html.

Something Old, Something New: Continuity and Change in China's Foreign Policy

Testimony of Andrew Scobell¹

The RAND Corporation and Marine Corps University²

Before the U.S.-China Economic and Security Review Commission

September 9, 2020

Many observers and analysts perceive that the People's Republic of China (PRC) has become more assertive and more confrontational in recent years. Certainly, this is the view of prominent political leaders and analysts in the United States and elsewhere.³ Is this perception accurate? Has Beijing under PRC President Xi Jinping adopted a more forceful and more aggressive foreign policy toward Washington and other capitals? What is driving Xi and the PRC's fifth-generation of Chinese Communist Party (CCP) leaders?

In this testimony, I contend that while the PRC has been noticeably assertive and confrontational across the board in 2020, what the world has been witnessing is both continuity and change in Chinese foreign policy. Indeed, today there is considerable continuity with the behavior of past decades, but this is amplified because the PRC is now far more powerful and Beijing is responding forcefully to multiple, near-simultaneous challenges. Yet, there is also significant change: In recent decades, CCP leaders have become even more ambitious in terms of the expansive scope of regime goals and activities beyond the borders of the PRC. I suggest that Chinese foreign policy is not at an inflection point in 2020; rather, significant elements of change

¹ The opinions and conclusions expressed in this testimony are the author's alone and should not be interpreted as representing those of the RAND Corporation, any of the sponsors of its research, the Marine Corps University, or the Marine Corps University Foundation.

² The RAND Corporation is a research organization that develops solutions to public policy challenges to help make communities throughout the world safer and more secure, healthier and more prosperous. RAND is nonprofit, nonpartisan, and committed to the public interest.

³ In a mid-2020 speech, Secretary of State Mike Pompeo suggested that the PRC had become a "Frankenstein." See Michael R. Pompeo, "Communist China and the Free World's Future," speech delivered at the Richard Nixon Presidential Library and Museum, Yorba Linda, Calif., July 23, 2020, <https://www.state.gov/communist-china-and-the-free-worlds-future/>. See also, for example, Lindsey W. Ford and Julian Gewirtz, "China's Post-Coronavirus Aggression Is Reshaping Asia," *Foreign Policy*, June 18, 2020, <https://foreignpolicy.com/2020/06/18/china-india-aggression-asia-alliances/>; and Bernhard Bartsch, Evan Medeiros, Orville Schell, David Shambaugh, and Volker Stanzel, *Dealing with the Dragon: China as a Transatlantic Challenge*, Bertelsmann Stiftung, Asia Society Center on U.S.-China Relations, George Washington University China Policy Program, June 2020, https://asiasociety.org/sites/default/files/inline-files/Dealing%20with%20the%20Dragon_Report_25.06.20.pdf.

blend with considerable continuity with themes from the past. That said, there does appear to have been a qualitative change in U.S.-China relations and a corresponding sea change in PRC perceptions of the United States (and vice versa).⁴

In this testimony, I first define the regime’s grand strategic goals, highlight continuities in PRC foreign policy, and discern new conditions that influence China’s behavior. Next, I pinpoint the distinguishing features of the ruling regime and the defining characteristics of the regime’s current generation of leaders. Then I identify the key domestic context for evaluating the success of PRC foreign policy and, finally, consider how domestic pressures affect Beijing’s foreign policy.

A Foreign Policy to Advance Grand Strategic Goals

The overarching end state of Beijing’s grand strategy is to achieve national rejuvenation and, in so doing, realize the “China Dream.”⁵ Realizing this dream, according to the formal resolution issued by the 3rd Plenum of the 18th CCP Central Committee, means “construct[ing] a wealthy, strong, democratic, civilized and harmonious socialist modernized country.” Although these goals remain unrealized, they continue to be espoused as aspirational CCP objectives. Speaking at the 19th Party Congress in October 2017, Xi outlined a “two-stage development plan.” The first stage extends to 2035, by which date China will have become a global leader in innovation, will possess greater “soft power,” and will have established “rule of law” domestically. The second stage continues to 2050, by which date China will have become “prosperous, strong, democratic, culturally advanced, harmonious and beautiful.” The revised CCP Constitution includes these goals and enshrines Xi’s ideological leitmotif: “socialism with Chinese characteristics for a new era.” What the phrase actually means is ambiguous, but its significance should not be underestimated: This mantra provides a fig leaf of ideological legitimacy to contemporary CCP policies and enables Xi to assert that he has made an important contribution to communist dogma.

Success in foreign policy is determined by making progress toward China’s grand strategy goals. These are all long-term objectives, so their ultimate success or failure will not be discernible for many years. The PRC’s grand strategic priorities are to

- maintain political control and ensure social stability
- promote continued economic development
- advance science and technology
- strengthen and modernize national defense.⁶

⁴ See, for example, David M. Lampton, “Reconsidering U.S.-China Relations: From Improbable Normalization to Precipitous Deterioration,” *Asia Policy*, Vol. 14, No. 2, April 2019, pp. 43–60; and Andrew Scobell, Edmund J. Burke, Cortez A. Cooper III, Sale Lilly, Chad J. R. Ohlandt, Eric Warner, and J.D. Williams, *China’s Grand Strategy: Trends, Trajectories, and Long-Term Competition*, Santa Monica, Calif.: RAND Corporation, RR-2798-A, 2020, https://www.rand.org/pubs/research_reports/RR2798.html.

⁵ This paragraph draws from Scobell et al., 2020, p. 18.

⁶ Scobell et al., 2020, pp. 18–19.

In fact, these four priorities have been articulated since at least the 1970s. Three of them—economic development, science and technology, and national defense—were trumpeted by Deng Xiaoping at the outset of the reform era and dubbed the Four Modernizations. The fourth—maintaining political control and ensuring social stability—focuses on internal security, which is a foundational prerequisite for successfully pursuing the other three. As Deng noted in 1980, “without [domestic] stability and unity we [China] have nothing.”⁷ In other words, internal security is the regime’s top priority.

A History of Hawkishness and Provocations

Since the very founding of the PRC, Chinese leaders have spouted hawkish rhetoric and engaged in militant provocations at and beyond China’s frontiers. While confrontational verbiage was more common when Mao Zedong—who dominated PRC domestic politics and foreign policy between 1949 and 1976—was alive, these pugnacious pronouncements have remained a part of Beijing’s playbook in the post-Mao era.⁸ Furthermore, vigorous actions by the People’s Liberation Army (PLA) in furtherance of the PRC’s foreign policy goals began in late 1950, with the large-scale intervention of the so-called Chinese People’s Volunteer Army to support the Democratic People’s Republic of Korea. This military muscularity persisted through the Maoist era and continued into the post-Mao period, albeit mostly conducted on a much smaller scale.

Nevertheless, armed confrontations and bloody clashes have periodically occurred along China’s borders with a variety of states. Perhaps the most enduring flashpoint—if we exclude the Taiwan Strait—has been the PRC’s disputed border with India, commencing with a border war in 1962 through to a lethal melee in mid-2020 in the Galwan Valley.⁹ Tensions have not been constant across the decades, but the dispute remains unresolved, with periodic clashes erupting over the years.

Hostilities have also simmered and bubbled up at times from 1979 until 1991 between China and Vietnam along their common land frontier.¹⁰ As with China’s Himalayan boundary with India, the precise boundary between China and Vietnam was never properly demarcated. This issue, along with several others, contributed to a pervasive climate of hostility between Beijing and Hanoi. Sino-Vietnamese hostilities endure because, while the continental boundary was eventually resolved, maritime territorial disputes in the South China Sea have become quite

⁷ Deng Xiaoping, “The Present Situation and the Tasks Before Us,” in Deng Xiaoping, *Selected Works of Deng Xiaoping (1975–1982)*, trans. Bureau for the Compilation and Translation of Works of Marx, Engels, Lenin, and Stalin under the Central Committee of the Communist Party of China, Beijing: Foreign Languages Press, 1984, p. 237.

⁸ See, for example, Allen S. Whiting, *The Chinese Calculus of Deterrence: India and Indochina*, Ann Arbor, Mich.: University of Michigan Press, 1975; and Andrew Scobell, “Is There a Civil-Military Gap in China’s Peaceful Rise?” *Parameters*, Vol. 39, No. 2, Summer 2009, pp. 4–22.

⁹ On the 1962 war, see Whiting, 1975, pp. 1–169. On the recent violence, see, for example, Andrew Scobell and Sumit Ganguly, “China’s Latest Tussle with India Could Lead to War,” *National Interest*, June 20, 2020, <https://nationalinterest.org/feature/chinas-latest-tussle-india-could-lead-war-163111>.

¹⁰ Zhang Xiaoming, *Deng Xiaoping’s Long War: The Military Conflict Between China and Vietnam, 1979–1991*, Chapel Hill, N.C.: University of North Carolina Press, 2015.

contentious. Aside from the demarcation of the China-Vietnam boundary in the Gulf of Tonkin, the two countries' overlapping claims in the South China Sea remain in dispute.¹¹ Since the mid-1970s, PRC military and paramilitary forces have harassed, seized, and even sunk vessels from Vietnam (and those from other claimant states) and have occupied islands, reefs, and atolls around the semi-enclosed sea. These latter actions have entailed not just establishing a presence on uninhabited isles but also, at times, battling uniformed Vietnamese personnel and expelling them from their emplacements.¹²

Under Xi, who became CCP General Secretary in 2012 and PRC President in 2013, the regime has projected a more assertive and more muscular posture in and around Asia, especially in the maritime regions where China has long-standing territorial claims.¹³ In the East China Sea, Beijing has ramped up its air and naval patrols in disputed waters, including in the vicinity of the contested Senkaku/Diaoyu Islands.¹⁴ And in November 2013, China took the dramatic step of unilaterally declaring the establishment of an Air Defense Identification Zone (ADIZ) covering a sizeable swath of the East China Sea, which overlapped with existing South Korean and Japanese ADIZs, including airspace over the Senkaku Islands. In the South China Sea, meanwhile, China on Xi's watch has launched an unprecedented effort to build large artificial islands on existing reefs and rocks in disputed waters also claimed by countries such as the Philippines and Vietnam. The extensive effort, which includes considerable coordination between civilian, military, and paramilitary government offices and ministries, entails the construction of fortifications, airfields, and port facilities. While these developments seem ominous and intimidating to other claimants, the new construction has questionable strategic value from the U.S. perspective and is extremely vulnerable in wartime.

Since 2013, China's ability to enforce and advance these claims has been improved by the creation of a single supersized coast guard established by combining four of China's five maritime enforcement agencies. The outcome is that China possesses the world's largest coast guard in terms of total tonnage (190,000 tons) and the greatest number of vessels of any Asian coast guard.¹⁵ Moreover, some of these ships are refurbished naval frigates, and many of these vessels are larger than many of the ships in the navies of China's neighbors. China's coast guard has engaged in frequent aggressive actions, including ramming, against the ships of other countries, most notably in the South China Sea. In March 2018, a further bureaucratic reshuffling

¹¹ For a comprehensive and thorough overview of China's approach to this and other territorial disputes, see M. Taylor Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China's Territorial Disputes*, Princeton, N.J.: Princeton University Press, 2008.

¹² For a comprehensive overview of the range of Chinese gray zone activities, see Lyle J. Morris, Michael J. Mazarr, Jeffrey W. Hornung, Stephanie Pezard, Anika Binnendijk, and Marta Kepe, *Gaining Competitive Advantage in the Gray Zone: Response Options for Coercive Aggression Below the Threshold of Major War*, Santa Monica, Calif.: RAND Corporation, RR-2942-OSD, 2019, pp. 27–41, https://www.rand.org/pubs/research_reports/RR2942.html.

¹³ This paragraph and the following paragraph draw from Scobell, Burke, et al., 2020, p. 40.

¹⁴ Edmund J. Burke, Timothy R. Heath, Jeffrey W. Hornung, Logan Ma, Lyle J. Morris, and Michael S. Chase, *China's Military Activities in the East China Sea: Implications for Japan's Air Self-Defense Force*, Santa Monica, Calif.: RAND Corporation, RR-2574-AF, 2018, https://www.rand.org/pubs/research_reports/RR2574.html.

¹⁵ These figures are as of 2015. See Lyle J. Morris, "Blunt Defenders of Sovereignty: The Rise of Coast Guards in East and Southeast Asia," *Naval War College Review*, Vol. 70, No. 2, Spring 2017, pp. 75–112.

was announced: China's coast guard would be placed under the control of the People's Armed Police (PAP), which, in turn, was placed under the direct command of the Central Military Commission (CMC). Essentially, this reshuffling centralizes bureaucratic responsibility for maritime security as it further militarizes maritime security.

A More Potent and More Pressured PRC in 2020

China has grown much stronger economically and militarily; consequently, other states perceive it as more threatening when Beijing acts assertively or provocatively. Moreover, President Xi is highly motivated to ensure that the 100th anniversary of the founding of the CCP (to be celebrated in July 2021) goes off without a hitch. Just as important for Xi and other leaders is that the 20th CCP Congress, scheduled to be held in fall 2022, runs like clockwork, without any disruptions or distractions: in other words, a well-choreographed recoronation for Xi and a coming-out party for a fresh slate of newly promoted senior CCP leaders.¹⁶

Xi almost certainly feels pressure to make sure that the run-up to these events is trouble-free and that there are accomplishments to celebrate. From Beijing's perspective, this means signaling unambiguously to other actors—both foreign and domestic—that the CCP will not tolerate any attempts to undermine the festivities. Foremost among those candidates to be put on notice are three actors with reputations in Beijing as spoilers: Taipei, Pyongyang, and Washington.¹⁷

Hence, in recent years, the PRC has been more overtly ambitious and bolder in pursuing its grand strategy, with greater attention to the global context, but Beijing's primary goals remain focused on the domestic arena, China's periphery, and the Asia-Pacific.¹⁸ In short, the regime's grand strategic priorities continue to be largely regional.¹⁹ It is within the Asia-Pacific that Beijing looks to establish spheres of influence and create what amount to “no-go” areas, where

¹⁶ In similar fashion, the 19th Party Congress of October 2017 was carefully scripted. Scobell, Burke, et al., 2020, p. 30.

¹⁷ Each actor has long posed multiple and perennial challenges to China. On Taiwan, see Andrew J. Nathan and Andrew Scobell, *China's Search for Security*, New York: Columbia University Press, 2012, pp. 222–239. On North Korea, see Andrew Scobell, “China and North Korea: Bolstering a Buffer or Hunkering Down in Northeast Asia?” testimony presented before the U.S.–China Economic and Security Review Commission on June 8, 2017, Santa Monica, Calif.: RAND Corporation, CT-477, 2017, <https://www.rand.org/pubs/testimonies/CT477.html>. On the United States, see Scobell, Burke, et al., 2020, pp. 6–9; and Andrew J. Nathan and Andrew Scobell, “How China Sees America: The Sum of Beijing's Fears,” *Foreign Affairs*, Vol. 91, No. 5, September/October 2012, pp. 32–47.

¹⁸ This paragraph draws from Scobell, Burke, et al., 2020, p. 21. In this testimony, the term *Asia-Pacific* is preferred over *Indo-Pacific* because the former is employed by the PRC.

¹⁹ Nevertheless, Beijing's “overseas interests” in 2020 stretch far beyond the Asia-Pacific to all regions of the world, including as far as the Arctic and the Antarctic, the domains of outer space and cyberspace, and multilateral institutions. China is also modestly expanding its projection of military power out of area to include greater involvement in United Nations peacekeeping missions since the 1990s and China's establishment of its first official overseas military base in 2017. See, for example, Nathan and Scobell, 2012, pp. 170–191; and Andrew Scobell, Bonny Lin, Howard J. Shatz, Michael Johnson, Larry Hanauer, Michael S. Chase, Astrid Stuth Cevallos, Ivan. W. Rasmussen, Arthur Chan, Aaron Strong, Eric Warner, and Logan Ma, *At the Dawn of Belt and Road: China in the Developing World*, Santa Monica, Calif.: RAND Corporation, RR-2273-A, 2018, https://www.rand.org/pubs/research_reports/RR2273.html.

the military forces of other great powers—notably, U.S. armed forces—are unable to deploy or employ without exposing themselves to grave risk. China does not seek to invade or outright occupy areas of the Asia-Pacific (with the notable exceptions of Taiwan and formations in the South and East China Seas) but rather to establish a Sinocentric regional order leveraging both its burgeoning hard power and its growing soft power.

While Xi Jinping has received credit as the chief instigator and primary originator of a more robust and more assertive China, the truth is that this trend began under his predecessor.²⁰ Under Hu Jintao, China engaged in waves of assertiveness: For example, Beijing employed harsh rhetoric and strong arm tactics in 2009 and 2010 in Northeast Asia and Southeast Asia against the United States and a variety of China’s neighbors.²¹ Although Hu Jintao, who assumed the office of CCP General Secretary in late 2002, the office of PRC President in March 2003, and the Chairmanship of the CMC in 2004, did not project a dynamic image or forceful persona, he presided over a gradual but impressive growth in Chinese power and influence on the world stage. Since assuming power in 2012, Xi has continued and accelerated this development well beyond where Hu left off. Moreover, it was Xi who promoted the China Dream slogan and backed it up with a blizzard of ambitious initiatives early in his first five-year term.

CCP leaders are convinced that China must be tough and that they cannot afford to show weakness. That said, the CCP believes its greatest vulnerability is domestic security: the threat from within posed by the risk of political infighting, turmoil, or democratization.²² The CCP strives to remain perpetually vigilant and responds harshly to any signs of internal dissent, whether among ethnic and religious minorities or among the Han Chinese majority.²³ The United States is perceived by the CCP as being far more hostile and more threatening in recent years. The PRC’s latest defense white paper, issued in mid-2019, asserts that Washington has “provoked and intensified competition among major countries, significantly increasing its defense expenditure, pushing for additional capacity in nuclear, outer space, cyber and missile defense, and undermined global strategic stability.”²⁴

Beijing has long held an image of the United States as intent on containing China and undermining CCP rule, but this image of hostility has increased by a sizable order of magnitude under the Trump administration. This Chinese assessment is based on Beijing’s analysis of key Trump administration documents, major speeches and public remarks by prominent U.S.

²⁰ This paragraph draws from Scobell, Burke, et al., 2020, p. 18.

²¹ Andrew Scobell and Scott Harold, “An ‘Assertive’ China? Insights from Interviews,” *Asian Security*, Vol. 9, No. 2, 2013, pp. 111–131.

²² This paragraph draws from Scobell, Burke, et al., 2020, p. 12.

²³ On the brutal repression campaign in Xinjiang, see Adrian Zenz, *Sterilizations, IUDs, and Mandatory Birth Control: The CCP’s Campaign to Suppress Uyghur Birthrates in Xinjiang*, Washington, D.C.: Jamestown Foundation, June 2020, <https://jamestown.org/product/sterilizations-iuds-and-mandatory-birth-control-the-ccps-campaign-to-suppress-uyghur-birthrates-in-xinjiang/>.

²⁴ State Council Information Office of the People’s Republic of China, *China’s National Defense in the New Era*, Beijing, July 2019, p. 2.

officials, and a set of administration actions vis-à-vis China.²⁵ In 2020, U.S. words and deeds on two particular issues have seized Beijing's attention: bilateral trade and the coronavirus disease 2019 (COVID-19). On the former issue, President Donald Trump has strongly condemned China for long-standing unfair trading practices, and his administration launched a trade war. While outwardly feigning confidence, CCP leaders have been deeply worried and have sought to mitigate the damage to China's economy by placating Washington with a "phase one" trade deal.²⁶ On the latter issue, COVID-19 flared up in early 2020 as a contentious issue in U.S.-China relations (and has since become a significant issue in China's relations with a host of other states). U.S. officials blamed Beijing for mishandling the pandemic and for being neither truthful nor transparent with other countries, thereby abetting the global spread of COVID-19. Moreover, U.S. leaders have repeatedly referred to the pandemic as the "Wuhan Virus" or "China Virus."²⁷

Throughout 2020, China has been pushing back hard on multiple fronts to prepare the way for smooth sailing in 2021 and 2022.

More-Ambitious Alarmists

China's current wave of assertiveness is driven by a combination of ambition plus alarm.²⁸ Standard analyses of China's political system matter-of-factly opine that the highest priority of Xi and his fellow Politburo members is "regime survival."²⁹ But this terminology can be misleading: *survival* implies that Chinese leaders believe that they are in dire straits and are living in daily fear of imminent regime collapse or overthrow. Quite to the contrary, Chinese leaders are confident enough to believe that the CCP's hold on power is relatively secure for the near term and likely to endure through the medium term (out to 2030).³⁰ However, because there are no absolute guarantees in politics and statecraft, constant vigilance is required. Consequently, the regime employs a highly sophisticated, robust, and costly coercive apparatus to protect its hold on political power.

²⁵ Beijing's reading of Trump administration documents and speeches suggests a more hostile Washington. See, for example, White House, *National Security Strategy of the United States of America*, Washington, D.C., December 2017; U.S. Department of Defense, *Summary of the 2018 National Defense Strategy of the United States: Sharpening the American Military's Competitive Edge*, Washington, D.C., 2018; and Michael R. Pompeo, "The China Challenge," speech delivered at the Hudson Institute, New York, October 30, 2019, <https://www.state.gov/the-china-challenge/>.

²⁶ Bob Davis and Lingling Wei, "Senior U.S., Chinese Officials Say They Are Committed to Phase-One Trade Deal," *Wall Street Journal*, August 24, 2020, <https://www.wsj.com/articles/senior-u-s-chinese-officials-say-they-are-committed-to-phase-one-trade-deal-11598322056>.

²⁷ Of course, Beijing has spread rumors that the U.S. Army is responsible for unleashing the virus in Wuhan. See, for example, Andrew Scobell, "Wuhan, From the Cultural Revolution to COVID-19," *Lawfare*, July 12, 2020, <https://www.lawfareblog.com/wuhan-cultural-revolution-covid-19>.

²⁸ This section draws from Scobell, Burke, et al., 2020, pp. 26–27.

²⁹ See, for example, John W. Garver, *China's Quest: The History of the Foreign Policy of the People's Republic of China*, New York: Oxford University Press, 2016.

³⁰ See Figure 1.1 in Scobell, Burke, et al., 2020, p. 4.

Nevertheless, Chinese leaders are preoccupied with maintaining domestic stability and tend to be ultrasensitive to the prospect of chaos. Notably, ordinary Chinese share this alarmism with regime elites. Party, military, and state elites, because of their confidence in the near-term hold on power, plan well ahead (in five-year and ten-year increments), and they anticipate that the regime will be around to celebrate the centenaries of the founding of the CCP in 2021, the PLA in 2027, and the PRC in 2049. Consequently, far from being desperate or limited in their goals, these leaders exude supreme confidence and articulate extremely ambitious agendas, despite regular bouts of alarmism.

Yet this deep-seated regime insecurity has a subtle but discernible impact on Chinese statecraft: It injects a wariness and suspicion that pervades Beijing's interactions with other capitals and a residual reluctance to commit major resources to projects beyond China's borders. However, this insecurity has not stopped large state-owned enterprises from expanding their involvement in building infrastructure around the world under the umbrella of the Belt and Road Initiative (BRI). A central reason for this apparent newfound boldness is Beijing's calculation that the overall risk to the Chinese economy of dispatching these "state-backed companies" to work overseas is far less than the risks of social instability and financial turmoil at home if these corporations are left to idle in China.³¹ At the same time, PRC diplomats are motivated to spout confrontational verbiage so they are seen to be standing up to their country's foreign critics—something that wins them the approval of both Xi and the Chinese people.³² Domestically, regime insecurity produces initiatives to concentrate power, undermine perceived adversaries, and cater to key constituencies (such as the PLA) and other elements of the coercive apparatus. Fundamentally, regime leaders are consumed with maintaining stability at home, which prompts streams of material rewards and jingoism combined with calculated intimidation that is reinforced by cold coercion. The ultimate irony of the regime presiding over the "people's republic" is that its greatest fear is that one day it will have to confront the wrath of the Chinese people directly. Thus, worrying about internal challenges is "what keeps Chinese leaders awake at night."³³

³¹ The twin specters of hundreds of thousands of laid-off workers in the streets and a massive banking crisis at home are more terrifying than risky business ventures overseas. State-owned enterprises are the most inefficient and debt-ridden sector of the Chinese economy, with very "large volumes of delinquent loans." State banks "must roll over these loans or continue lending to ensure that the original loans are not lost." Scobell, Burke, et al., 2020, p. 47. The distinction between public and private business in China is extremely blurred. Because virtually every company in China is at least partially funded or in some way penetrated by the state, the term *state-backed company* is appropriate. Scobell, Burke, et al., 2020, p. 47.

³² See, for example, Shi Jiangtao, "Coronavirus: They're Only Answering Xi Jinping's Call but Are China's 'Wolf Warrior' Diplomats Doing More Harm Than Good?" *South China Morning Post*, April 27, 2020, <https://www.scmp.com/news/china/diplomacy/article/3081592/coronavirus-theyre-only-answering-xi-jinpings-call-are-chinas>

³³ David M. Lampton, *Following the Leader: Ruling China, from Deng Xiaoping to Xi Jinping*, Berkeley, Calif.: University of California Press, 2014, p. 140.

Fifth-Generation Smart-Power Nationalists

Xi and his fellow fifth-generation leaders recognize that although economic heft and military muscle are important for the ruling regime to maintain a firm grip on power in the 21st century, they cannot afford to ignore the promotion of lofty principles and inspirational ideals.³⁴ Hence, I dub this age cohort *smart-power nationalists*. Particularly during the post-Mao era (i.e., since 1977), the CCP emphasized political pragmatism and material incentives, focusing on building China's hard power (starting with the economy) and then turning to national defense. By the early 2000s, the regime had begun to pay greater attention to the potency of attraction.

In the lineup of the 25-seat 19th Politburo, announced in November 2017, engineers and scientists (six) were greatly outnumbered by CCP leaders who had studied social sciences and humanities (16). Of the 16, eight had studied politics, international relations, political economy, or philosophy; four had majored in Chinese language and literature; two had studied economics; one had studied law; and another had studied history. In comparison, only four Politburo members had studied engineering, one had studied pharmacology, and another had studied agriculture. Moreover, the 19th Politburo contains a smattering of worldly members: individuals with significant international exposure, including foreign degrees or some coursework at overseas institutions of higher education. At least one member (Yang Jiechi) speaks fluent English, and another (Wang Huning) speaks fluent French.

Given the nature of their training and work, engineers may be accustomed to thinking about the concrete measures of hard power and may be less concerned with softer and more abstract dimensions of national power. The current CCP Politburo has the smallest proportion of engineering majors as members in three decades—only 16 percent—whereas previous politburos were dominated by engineers, who made up at least 62 percent and up to 90 percent of the group in years past. This change is reflected in the greater focus on soft power among China's leaders. For fifth-generation leaders, the importance of soft power is two-sided: On the one hand, soft power strengthens the legitimacy of the regime by playing up nationalist goals, patriotic achievements, and Chinese values; on the other hand, it is also useful for counteracting dangerous Western ideas, such as democracy, human rights, and freedom of religion. Fortifying the former is considered essential to successfully combating the latter. A more ominous extension of this focus is the expanded use of influence operations or political warfare beyond China's borders.

The most obvious domestic manifestation of this greater attention to soft power is Xi's articulation of the China Dream (see next section). The intent is to capture the imagination of the Chinese people by offering a vision of a prosperous and promising future for the country. Unlike the American Dream, which is more about individual opportunity to attain greater material wealth through determination and hard work, the Chinese version is about collective achievement and national glory. In other words, the China Dream is about the concrete achievement of "national rejuvenation" under the wise and farsighted direction of CCP leaders. Indeed, the China Dream is intended to inspire the Chinese people.

³⁴ This paragraph and the next three paragraphs draw from Scobell, Burke, et al., 2020, pp. 24–26.

The most prominent foreign policy manifestation of Beijing’s greater attention to soft power and the focus of China’s fifth-generation exercise of smart power is the BRI.³⁵ The initiative is not just about fueling further economic growth within China—important in itself—but also about countering a “China threat” narrative, presenting China as a positive force in the world that promotes international development and builds global prosperity. Officially launched by Xi in 2013 in two high-profile speeches—one delivered in Central Asia and a second delivered in Southeast Asia—the BRI is designed to integrate more than 65 nations into China’s economy through lending for infrastructure projects as well as investments totaling an estimated \$200 billion to date.³⁶ BRI has been characterized as a Chinese Marshall Plan. Ostensibly a new program, it is best viewed as a rebranding of ongoing efforts to expand existing overseas infrastructure projects and to construct new ones. BRI is designed to export the output of excess production capacity in China—particularly by building infrastructure (including digital)—and to export excess labor while fostering export markets for Chinese goods. With these efforts, the BRI strengthens economic linkages between China and these countries, promoting closer geopolitical relations.³⁷

In association with the BRI, China has advanced in setting up alternative institutions that allow it to exercise influence abroad. One example is the recently created and Chinese-led Asia Investment Infrastructure Bank (AIIB). Established in 2015, the AIIB has 70 member countries, including many U.S. allies and partners and five of the G7 leading economies, excluding Japan and the United States. These projects have the potential to anchor regional economies to the Chinese market. The BRI could be a method for participating nations to collectively export as much as \$2 trillion in goods over the next five years. The fate of the BRI will largely depend on the success of delivering infrastructure projects across Africa, Central Asia, and the Middle East and the extent to which China will allow market access to imports from BRI investment recipients.

Ideology, if defined as a worldview or way of interpreting global affairs and China’s international relations, remains a significant factor in PRC foreign policy. While there are few, if any, remaining true believers in Marxism-Leninism and Mao Zedong Thought, the legacy of this dogma remains pervasive.³⁸ Particularly relevant is an enduring belief in the primacy of economics and a hard realpolitik outlook that perceives a world of state and parastatal actors ruthlessly battling to monopolize international markets and control scarce raw materials and energy resources.³⁹ The tenets of this ideology produce a 21st century CCP elite who believe that

³⁵ This paragraph and the next paragraph draw from Scobell, Burke, et al., 2020, p. 51.

³⁶ Andrew Chatzky and James McBride, “China’s Massive Belt and Road Initiative, Council on Foreign Relations, updated January 28, 2020, <https://www.cfr.org/background/chinas-massive-belt-and-road-initiative>.

³⁷ For a more-detailed analysis of China’s burgeoning economic, political, and military relations with countries around the world, see Scobell, Lin, et al., 2018.

³⁸ Nevertheless, regular formal deference and reference to communist dogma is important in speeches by Xi and other senior leaders as well as in major party documents so as to maintain the fiction that ideology guides CCP policies and actions. If this pretense was abandoned then the party would significantly undermine its own political legitimacy.

³⁹ Nathan and Scobell, 2020, p. 92.

it is vital for the PRC to engage in zero-sum struggles with other states and foreign-controlled multinational corporations fighting for a fixed number of markets and dwindling natural resources around the globe.⁴⁰ This is the only way to ensure continued economic dynamism. Hence, when Xi recently insisted that Marxist ideology required the continued centrality of “public ownership” in China’s domestic economy, he was serious.⁴¹

Criteria of Success

Yet it is relatively straightforward to gauge progress on long-term CCP priorities on a year-to-year basis. The criteria of success are basic, albeit not so simple to sustain routinely. The CCP achieves a passing grade if (1) it retains power and suppresses dissent and disorder, (2) the economy keeps growing, (3) China periodically makes some high-profile achievements in science and scores well in at least some measures of technological advancement, and (4) continues to build powerful and modern armed forces.

The CCP can monitor trends across the board, as can the Chinese people. Of course, a significant part of this reporting and monitoring is an ongoing exercise in managing popular perceptions and expectations by the regime. Indeed, the critical element is how the people of China—both the CCP rank and file and the ordinary citizens—process and perceive this information and reporting. It tends to boil down to how the people assess two items: (1) whether families are prospering and whether their economic outlooks seem bright and (2) whether China is afforded respect by other countries. Although parts of these criteria are objective, there is also a subjective dimension that involves spin control by the regime. On the first item, for example, individuals can quite easily assess whether they are better off in socioeconomic terms than they were a year or five years earlier and whether the career prospects for their offspring are good or not. Yet the regime can and often does inflate statistics to support a rosier picture of the economy than is warranted. On the second item, for example, individuals can monitor whether senior leaders are routinely engaging in summitry with the leaders of other consequential states and are active in prominent international arenas.⁴² Despite controlled media pumping out official messages, Chinese citizens are skillful at parsing official media pronouncements—both what is explicitly stated and what is left unsaid. Nevertheless, the official narrative is important when the overarching theme tends to be that China is winning or at least *gaining*: whether it be in terms of a rising gross domestic product or becoming only the second country on the planet to land an astronaut on the moon (planned for the 2030s).⁴³ At a minimum, the messaging should persuade

⁴⁰ While Beijing constantly asserts that PRC foreign policy is focused on “win-win” outcomes, the reality tends to be dramatically different. Scobell, Burke, et al., 2020, p. 44.

⁴¹ See Karen Yeung, “Chinese President Xi Jinping Says Marxist Political Economy Is the Bedrock for Nation’s Growth,” *South China Morning Post*, August 16, 2020.

⁴² Xi has, to date, demonstrated considerable success at this endeavor. Scobell, Burke, et al., 2020, p. 38.

⁴³ China’s lunar program and its mission to Mars are mainly about prestige and status. See R. Lincoln Hines, “China’s Space Program Is Driven by a Desire for Prestige, Not Military Might,” *World Politics Review*, August 20, 2020, <https://www.worldpoliticsreview.com/articles/29004/china-s-space-program-is-driven-by-a-desire-for-prestige-not-military-might>. Nevertheless, China also has significant military ambitions vis-à-vis space. See, for

the people that, under CCP rule, China is at or nearing the forefront of the latest technological breakthroughs and vigorously pushing back against unfair foreign pressures or malicious attacks. “China has become a global leader,” Xi told the 19th Party Congress in October 2017.⁴⁴ Beijing’s public messaging is always that someone else is to blame or mistaken if another country is criticizing China. A convenient target for the blame game is the United States. Thus, the international backlash against China in 2020 is attributed to a campaign orchestrated by Washington in coordination with other anti-China forces headquartered in other capitals, such as Tokyo.⁴⁵

Impact of Domestic Pressures

Domestic pressures influence PRC foreign policy in at least two ways—one “soft” and one “hard.”⁴⁶ The soft-power impact refers to the efforts that Beijing must devote to messaging and propagandizing to counter what it perceives as the real threat of foreign ideas about democracy and human rights. Here, the United States tends to be the top concern because Washington is viewed as the prime instigator and messaging agent of Western-style democracy and freedoms. Beijing’s discovery in recent decades of the concept of soft power comes from a place of fear and unease. The CCP sees itself as under grave threat, and its efforts at promoting soft power are best considered necessary defensive measures. Beijing’s promotion of Chinese or Asian values is an effort to counter the sinister idea of democracy and human rights as universal concepts, which are labeled “Western values.” The rehabilitation of Confucius and the promotion of Confucianism in the PRC of the 21st century underscore the seriousness of this initiative, with the foreign policy component being the establishment around the world of Confucius Institutes and Confucius Classrooms. Meanwhile, China’s influence operations against the United States and other countries are also manifestations of both the great importance ascribed to Beijing seizing the initiative in the realm of soft power and the degree of vulnerability felt in Beijing. Regarding the latter, it is worth noting that the CCP believes it is merely doing to the United States what it assumes Washington is overtly and covertly doing within China. It is no coincidence that the country with the largest number of Confucius Institutes is the United States.⁴⁷

The hard-power impact refers to the drain on resources and the diversion of funding away from efforts to defend China against external threats. Beijing prioritizes internal security and allocates large amounts of manpower, technological capabilities, and overall level of effort

example, Scott W. Harold, *Defeat, Not Merely Compete: China’s View of Its Military Aerospace Goals and Requirements in Relation to the United States*, Santa Monica, Calif.: RAND Corporation, RR-2588-AF, 2018, https://www.rand.org/pubs/research_reports/RR2588.html.

⁴⁴ Scobell, Burke, et al., 2020, p. 38.

⁴⁵ See, for example, the discussion in Shashank Bengali, “Trump wants an ‘Alliance of Democracies’ to Oppose China. It’s Starting to Take Shape,” *Los Angeles Times*, July 24, 2020, <https://www.latimes.com/world-nation/story/2020-07-24/chinas-aggressive-tactics-provoke-growing-opposition>.

⁴⁶ This paragraph draws, in part, on Scobell, Burke, et al., 2020, p. 9.

⁴⁷ Scobell, Burke, et al., 2020, p. 42.

toward sustaining a vast coercive apparatus and surveillance system within China. This functions as a “domestic drag” on external power projection efforts and overseas operations by China’s armed forces.⁴⁸ Extensive resources are devoted to monitoring PRC citizens, especially dissidents and certain groups deemed to be subversive. This structure is called the *stability maintenance system* and employs substantial manpower, including neighborhood committees, regular law enforcement personnel (the Public Security Bureau), a national paramilitary formation (the PAP), and a plainclothes investigative and counterintelligence force (the Ministry of State Security) that combines the types of roles performed by the U.S. Federal Bureau of Investigation and the Central Intelligence Agency.⁴⁹ This system can be reinforced, if necessary, by mobilizing millions of People’s Militia, with the ultimate backstop of the CCP’s hold on power being uniformed units of the PLA. Indeed, regular military formations are concentrated in eastern coastal regions of China near major population centers and can be called out as a last resort to suppress unrest or rebellion.⁵⁰

Conclusion

In sum, China’s hawkish and assertive foreign policy has experienced both continuity and change. Beijing appears to be more aggressive and more confrontational because its hard- and soft-power capabilities are far greater and more potent than they were in the past. Moreover, China’s muscularity is on display in 2020 on multiple fronts near simultaneously. Furthermore, CCP leaders have become increasingly ambitious in recent decades regarding the scope of regime goals beyond China’s borders. Nevertheless, all this activity masks a Beijing that still sees itself as weak—albeit growing progressively stronger—with major vulnerabilities. A fundamental weakness continues to be in the realm of soft power, where the CCP feels particularly vulnerable to concepts of democracy and human rights. For Beijing, these ideas are insidious and subversive, whether targeted at Hong Kong, Xinjiang, Tibet, or the Han heartland of China. The main source and transmitter-in-chief of this highly infectious ideological contagion is the Trump administration, under which the United States is believed to have fully revealed its true colors as the PRC’s most implacable adversary. The key criterion for measuring success in Beijing’s execution of foreign policy is whether China is advancing its grand strategic goals. The two consuming strategic priorities are perpetuating CCP rule and continuing economic growth.

⁴⁸ Andrew Scobell and Andrew J. Nathan, “China’s Overstretched Military,” *Washington Quarterly*, Vol. 35, No. 4, Fall 2012, pp. 135–148.

⁴⁹ Scobell, Burke, et al., 2020, pp. 31–34.

⁵⁰ Scobell, Burke, et al., 2020, p. 33.