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Introduction

Chairman Bartholomew, Commissioner Kamphausen, members of the commission, thank you for inviting me to appear before you today to discuss US-China Relations at the Chinese Communist Party's centennial. I have been asked to comment on China's foreign policy and national security goals after the Fifth Plenum that was held last fall. My testimony draws on Chinese language sources to examine how China assesses its international environment, the goals it will pursue in the areas of foreign policy and national security (with an emphasis on national defense), and implications of the analysis for whether China will engage in a major use of armed force. I conclude with recommendations for Congress.

China Assesses Its External Environment—"Profound Changes Unseen in a Century"

China formulates its foreign policy and national security goals based on its interests and its assessment of China's international security environment. The "communique" (公报) issued by the Central Committee at the end of the Fifth Plenum assessed that "the environment for China's development faces profound and complex changes."¹ On the positive side of the ledger, China remained "in an important period of strategic opportunity," which reflects the judgment that China can avoid major armed conflict and thus focus national efforts on pursuing development. On the negative side, however, "today's world is experiencing profound changes unseen in a century [百年未有之大变局]." The international environment is seen as "increasingly complex," as "instability and uncertainty are clearly increasing." With the spread of the pandemic and resistance to globalization, "the world is entering a period of turbulent change [动荡变革期]." Below, I will examine in more detail the concept of "profound changes unseen in a century" as an authoritative assessment of China's external environment, which then shapes the policies China may adopt to pursue its interests.

¹ "中国共产党第十九届中央委员会第五次全体会议公报 [Communiqué of the Fifth Plenum of the 19th Central Committee of the Communist Party of China]," *Xinhua*, 2020 (October 29), http://www.xinhuanet.com/politics/2020-10/29/c_1126674147.htm [hereafter "Communique"].

Origins of the Assessment

Xi Jinping first used the phrase “profound changes unseen in a century” at the ambassadorial work conference held in December 2017, a rare gathering of China’s overseas ambassadors that was convened to discuss China’s diplomatic work. As part of his admonition to “correctly understand” international trends, Xi said that “looking at the world, we are facing profound changes unseen in a century.”² At the time, this initial assessment was fairly optimistic, noting that “multipolarization,” or the diffusion of power in the international system and end of unipolarity, had “accelerated” with rapid growth in the developing world, including China. Because the international system was “becoming increasingly balanced,” and because China was continuing to grow, China could “increasingly approach the center of the world stage.” Yet reflecting the dialectical approach to assessing international trends, Xi also noted that China is “currently facing both unprecedented opportunities and unprecedented challenges,” though his publicly available remarks did not dwell on the challenges.

The phrase appeared again in the summer of 2018, in Xi’s speech at the 2018 foreign affairs work conference, another relatively rare but important meeting on Chinese foreign policy. As this speech introduced the ten pillars of what would become described as “Xi Jinping’s Diplomatic Thought,” Xi’s reference again to profound changes unseen in a century elevated this phrase as a framework for assessing China’s international environment.³ Xi noted a few more risks for China than in 2017, describing factors that were countering trends toward multipolarization and globalization that were otherwise favorable to China. But overall, the assessment remained favorable.

To this point, the content of profound changes unseen in a century had not been fleshed out and remained poorly defined. As with many political slogans in China, their content is only developed in detail after their initial introduction. In the case of profound changes unseen in a century, this process of determining its content overlapped with growing tensions between the United States and China, starting with the trade disputes and then broadening

² “习近平会见 2017 年度驻外使节工作会议与会使节并发表重要讲话 [Xi Jinping Meets with Envoys Attending 2017 Annual Conference on Diplomatic Envoys and Delivers Important Speech],” *Xinhua*, 2017 (December 28), http://www.xinhuanet.com/politics/leaders/2017-12/28/c_1122181743.htm

³ “习近平：努力开创中国特色大国外交新局面 [Xi Jinping: Strive to Major Power Diplomacy with Chinese Characteristics],” *Xinhua*, 2018 (June 23), http://www.xinhuanet.com/politics/2018-06/23/c_1123025806.htm

to into other areas.

Among several efforts by Chinese experts to unpack the slogan, perhaps the most important came from a report at the China Institutes of Contemporary International Relations (CICIR). Chen Xiangyang (陈向阳), the head of CICIR's World Politics Institute, led the team that conducted the study. Given CICIR's position in China's intelligence apparatus, this report may be viewed as close to an authoritative description of the profound changes unseen in a century. Importantly, the CICIR report was published in January 2020, before the outbreak of the coronavirus pandemic, which, as described below, further accelerated these changes and greater tension in China's relationship with the United States.

The CICIR report identified five changes that, together, compromise profound changes unseen in a century. These changes reflect an increasingly uncertain and complex international environment in which China would seek to achieve its goals. Perhaps in contrast with previous assessments in recent years, the CICIR report's topline conclusion was clear: the "reshaping of the global order is accompanied by disruption and disorder."⁴

The first and most important set of changes concern power trends and what Chinese analysis often describes as the "international strategic configuration" (国际战略格局). Taken together, these trends indicate a diffusion of power away from the dominant powers, especially the United States, as well as away from nation-states, creating what the report describes as an "eventual autumn" (多事之秋) or "troubled times." The CICIR report identifies several elements of "profound and complicated" changes in the international strategic framework. The first is "rising East, declining West," which refers to the "resurgence" and development of China, India, and ASEAN to the point of creating parity between East and West. As a result, the major powers focus more attention on the region, which the report views as increasing tensions. The second element of the changing strategic framework is "rising South, declining North," which refers to developing countries as the engine of global growth in contrast to the weaker performance of the developed world beset by aging populations or political polarization, among other factors. Overall, this drives a change in the balance of power and has led the United States, in CICIR's view, to view China as its primary strategic competitor. The third element of the changing international strategic

⁴ 中国现代国际关系研究院课题组, "世界"百年未有之大变局"全面展开 [The World's "Profound Changes Unseen in a Century" Fully Unfold]," *Xiandai guoji guanxi*, No. 1 (2020), pp. 19-25 [hereafter, "CICIR Report"].

framework is scientific and technological advances, sometimes described as the fourth industrial revolution, which has become the focal point of competition states but also portends significant and uncertain changes with societies. The fourth element highlights the rise of non-state actors, especially international IGOs and NGOs, as well as multinational corporations and high-tech firms, and by implication, the loss of control by nation-states. The last element is the weakening of international order and global governance in the face of “anti-globalization populism” in developed states, as epitomized by “America First.” As the report describes, the international order centered on the United Nations and trade liberalization after the end of the Cold War is facing “severe challenges,” creating a governance deficit that increases global instability.

The rest of CICIR examines additional changes that contribute to uncertainty in the international system. First, the report highlights a “resurgence” in great power competition. Although much of this focuses on the change in US policy toward China through 2019, the report also draws attention to the weakening of the trans-Atlantic alliance, growing US-Russian tensions in Europe and the Middle East, and growing military competition. Second, the report highlights that regional hotspots remain volatile, reviewing conflicts in the Asia-Pacific as well as the Middle East, Ukraine, and elsewhere. A third change is growing global challenges in the areas of climate change, civil conflicts, and frontier technologies amid the “deficit” created by what the report views as the abdication of US global leadership and US efforts to weaken the UN system along with the G20. The last source of uncertainty is the rise of anti-establishment and anti-globalist populism in both the developed and developing world as well as separatism, again factors that are seen as weakening the international order.

In sum, the CICIR report paints a picture of growing disorder, much of which is attributed paradoxically to the decline in US global leadership and increased tensions with China as well as other major powers against the backdrop of the changing distribution of power. Although China may welcome such a vacuum in principle, in the sense that it creates an opening that China could fill, the tenor of the report is that the decline has arrived more quickly than China would like. As CICIR president Yuan Peng noted in the summer of 2020, “At the end of the American “unipolar era,” China will still lack the strength to take up its position as a second pole, and the changed trajectory of a multi-polar order will be all the more complex.”⁵

⁵ Yuan Peng, “The Coronavirus Pandemic and a Once-in-a-Century Change,” Introduction and Translation by

The Fifth Plenum and “Profound Changes”

The CICIR report painted a picture of China’s external environment that was far from rosy. But with the onset of the pandemic, the “profound changes unseen in a century” appear even bleaker from China’s point of view. The consensus now is that the pandemic has accelerated these changes, increasing disruption and disorder in the international system. Chinese assessments in 2020 point to the growing antagonism between Washington and Beijing far beyond levels in 2019, the onset and deepening of a global recession, increased opposition to globalization and the multilateral trading system, and the emergence of ideology as a point of contestation—all amid a global pandemic.

A detailed assessment of how China views its external environment comes from Yang Jiechi, a member of Politburo and director of the party’s Central Foreign Affairs Commission. Yang’s assessment appeared in a signed article that was published in the *People’s Daily* shortly after the conclusion of the Fifth Plenum.⁶ Yang’s frames his assessment around the profound changes unseen in a century, which is described as a “significant judgment” (重要论断). Yang’s main conclusion: “now and in the coming period, the COVID-19 global pandemic has accelerated the evolution of the world’s profound changes. The international economy, science and technology, culture, security, and politics are all undergoing profound adjustments. The external environment of our country’s development will face more profound and complex changes.”

Specifically, Yang highlighted five components of China’s external environment. The first and most positive was that multipolarization is (still) accelerating. However, as the pandemic is evolving into a long-term situation, a key feature is the “adjustment” of the major powers or an ongoing power transition. Second, however, the global economy has been “hit hard” by the pandemic, especially trade, investment, and consumption. The prospects for recovery are mixed, with increased risks of financial and economic crises. Third, the pandemic presents further challenges to an already weakened system of global governance. Fourth, although Yang states that no one “wants to see the international security situation spin out

David Ownby, from Reading the China Dream, <https://www.readingthechinadream.com/yuan-peng-coronavirus-pandemic.html>. The article originally appeared in *Xiandai guoji guanxi*, No. 5 (2020).

⁶ Yang Jiechi, “积极营造良好外部环境 (学习贯彻党的十九届五中全会精神) [Actively Create A Favorable External Environment (Study and implement the spirit of the Fifth Plenum of the 19th Central Committee of the Party)],” *Renmin ribao*, 2020 (November 30), p. 6, http://paper.people.com.cn/rmrb/html/2020-11/30/nw.D110000renmrb_20201130_1-06.htm

of control,” nontraditional security concerns are seen as increasingly intermixed with regional hotspots. Finally, Yang notes that “international ideological trends are surge and collide and ideological factors became prominent again.” Yang observes how the pandemic has intensified social divisions and ethnic conflicts within states, while conservatism and populism have increased, even leading some states to engage in external conflicts to divert attention from domestic woes.

Thus, building on themes in the CICIR report, Yang portrays a challenging environment for China. What does this all mean? As discussed in more detail below, supporting development is the top priority for China’s diplomacy, but China’s external environment is much more volatile and contains many more risks than before. China is more integrated into the world than ever before but also more vulnerable to what happens beyond its borders than ever before. Put differently, the start of the 14th five-year plan and the start of progress toward “basically achiev[ing] socialist modernization” by 2035 now coincide with a period of great global uncertainty and instability. Placed into a dialectical framework, the challenge is how to achieve China’s development goals during this period of “turbulent change” in the world.

A January 2021 commentary under the influential pseudonym of “Ren Zhongping” in the People’s Daily captures the sense of unease well:⁷

Living in a world that has not seen profound changes in a century, we are well aware that “the closer we are to national rejuvenation, the less smooth sailing will be, the more risks, challenges, and even stormy seas will be.” The world’s profound changes unseen in a century are not changes in one moment, one event, one region, or one country, but changes in the world, the era, and in history. Today, the world has entered a period of turbulent change. The impact of the COVID-19 epidemic is widespread and far-reaching. Economic globalization has encountered a countercurrent. Unilateralism, protectionism, and hegemonism continue to rise. Various “black swan” and “gray rhino” incidents have occurred from time to time. Sailboats must be sailed well in the external environment with more headwinds and headwaters, and new development must be sought in an international environment with markedly increased instability and uncertainty.

...

We are well aware that “our country’s development is still in a period of important strategic opportunities, but there are new developments and changes in opportunities

⁷ Ren Zhongping, “征途漫漫从头越: 论新征程上的孺子牛拓荒牛老黄牛精神 [Long journey from scratch: On the spirit of a willing ox, pioneering ox and old ox in the new journey,]” *Renmin ribao*, 2021 (January 22), p. 3, http://paper.people.com.cn/rmrb/html/2021-01/22/nw.D110000renmrb_20210122_2-03.htm

and challenges.” In the past, we were able to take advantage of the trend and it was easier to grasp opportunities; now we have to go up against the wind, and it is more difficult to grasp opportunities. In the past, the general environment was relatively stable, and the risks and challenges were relatively easy to see; now the world is turbulent and complex, geopolitical challenges are high and sharp, and there are many submerged reefs and undercurrents, which puts forward higher requirements for coping capacity. In the past, when our level of development was low, we were more complementary to others; now that our level of development has improved, we are more competitive with others. To nurture opportunities in a crisis and open new games in a changing situation, it is especially necessary to accurately recognize changes, respond scientifically, and actively seek changes.

China’s Foreign Policy in 2021 and Beyond

The central implication of the Fifth Plenum for China’s foreign policy was clear. As the communique stated, “the party must coordinate the overall situation of the strategy for the Chinese nation’s great rejuvenation and the world’s profound changes unseen for a century.” In other words, the current international environment is one of the main challenges to China’s development. Thus, the Central Committee’s “proposal” (建议) stated that the goal of China’s diplomacy is to “actively create a favorable external environment.”⁸ That is, the priority for China’s diplomacy should be creating the conditions for the successful implementation of the 14th five-year plan and, in turn, propelling China toward the accomplishment of its 2035 development goal from the 18th Party Congress. This is the main theme in writings and speeches by China’s leading foreign affairs officials in the past few months, including Yang Jiechi’s signed article from the *People’s Daily* as well as speeches and articles by foreign minister and state councilor Wang Yi⁹ and a speech by executive vice foreign minister Le Yucheng.¹⁰

⁸ “中国共产党第十九届中央委员会第五次全体会议公报 [Communiqué of the Fifth Plenum of the 19th Central Committee of the Communist Party of China],” *Xinhua*, 2020 (October 29), http://www.xinhuanet.com/politics/2020-10/29/c_1126674147.htm [hereafter “Communique”].

⁹ Wang Yi, “百年变局与世纪疫情下的中国外交：为国家担当 对世界尽责——在 2020 年国际形势与中国外交研讨会上的演讲 [China’s Diplomacy Amid Centennial Changes and a Once-in-a-Century Pandemic: Serving the Country and Contributing to the World],” Ministry of Foreign Affairs, December 12, 2020, https://www.fmprc.gov.cn/web/ziliao_674904/zyjh_674906/t1839713.shtml, and Wang Yi, “迎难而上 为国担当 奋力开启中国特色大国外交新征程 [Rise to the Challenges, Serve the Nation and Embark on a New Journey for Major-Country Diplomacy with Chinese Characteristics],” *Qiushi*, No. 2 (2020), https://www.fmprc.gov.cn/web/ziliao_674904/zyjh_674906/t1846767.shtml

¹⁰ Le Yucheng, “大疫情、大变局呼唤大团结、大作为——在第三届中国智库国际影响力论坛暨第六届新型智库建设学术研讨会上的主旨演讲 [Major epidemic and profound changes call for great unity and great

In many ways, anchoring China's diplomacy around promoting China's growth is a well-worn theme. Since the opening and reform period, a key priority in China's diplomacy has been to ensure favorable external conditions for China's development. Today, however, even with a focus on spurring growth under "dual circulation," China leaders have concluded that achievement of these goals requires that China be much more deeply integrated into the international system, both to rebuff challenges of decoupling and strained ties with developed economies and to maintain access to foreign investment. Moreover, increasing its integration with the global economy will also create stakeholders in other countries in continuing trade and investment ties with China.¹¹ As one analyst notes, one of "the most daunting external environment in decades "ironically will likely push Beijing to further embrace foreign direct investment (FDI) and improve the business environment."¹²

Yang's signed article provides one useful source for thinking about China's foreign policy goals after the plenum, in 2021 and beyond, and how China will seek to create a favorable external environment. Specifically, Yang's article outlines several subordinate goals for creating a favorable external environment.¹³ The first and broadest is to "actively develop global partnerships" and "deepen and expand the omnidirectional arrangement of foreign affairs work." An omnidirectional diplomatic orientation has been China's general approach since reform and opening and emphasizes pursuing beneficial relations with as many states and organizations as possible. Lacking allies, China seeks partnerships, broadly defined. Since the early 2000s, Chinese diplomacy has highlighted three groups of states—great powers (大国), neighboring states (周边国家), and developing countries. By maximizing ties with each, China invests in a broad portfolio of diplomatic relationships. Great powers are seen as critical to the overall stability of the system, while neighboring states bear much more directly on China's security and stability, and developing countries are viewed as important partners. Today, the economic component of many of these relationships is as important as the political one, as China can leverage the attraction of its economy as a source of diplomatic influence while also ensuring access to markets and technologies.

In an omnidirectional framework, great powers matter most. Chinese writings highlight

deeds],” Ministry of Foreign Affairs, 2020 (December 6),
https://www.fmprc.gov.cn/web/ziliao_674904/zyjh_674906/t1838082.shtml

¹¹ Houze Song, “China Economy 2025: Eluding the Middle Income Trap,” MacroPolo, 2020 (October 26),
<https://macropolo.org/analysis/china-economy-forecast-2025-eluding-the-middle-income-trap/>

¹² Song, “China Economy 2025.”

¹³ Yang Jiechi, “Actively Create A Favorable External Environment.”

three in particular—Russia, the EU, and the United States.¹⁴ China sees managing ties with other great powers as key to maintaining global stability. The precipitous decline in the US-China relationship, what Wang Yi describes as the “most challenging” since “the establishment of diplomatic ties” elevates the importance of ties with Russia and the EU as counterweights.¹⁵ Thus, in his year-end speech, Wang Yi called for “deepening” coordination with Russia “in all areas” and enhancing “bilateral strategic coordination in all areas and at all levels.” Turning to Europe, Wang indicated China’s desire to “enhance strategic trust,” focusing on multilateral approaches to trade and climate change.¹⁶ Regarding the United States, Wang Yi describes China’s goal is to “rebuild a strategic framework for the sound and stable growth of bilateral relations,” which will focus on reopening dialogue and finding new areas for cooperation such as climate change, pandemic, counterterrorism, and cyber. Yet as much as China would like to see a more stable relationship with the United States, Beijing will wait for Washington to make the first move to signal it wants to pursue cooperation and to abandon the rhetoric and many policies of the Trump Administration.

China’s neighbor states are described as a “key point” (重点) on par with great powers. Many of China’s most contentious relationships involving sovereignty disputes with its neighbors, such as in the East and South China Seas or on the border with India. Although China will continue to press its claims, it also will seek to prevent these disputes from harming the implementation of broader multilateral efforts in the region, including the implementation of the Regional Comprehensive Economic Partnership (RCEP) as well trilateral cooperation with Japan and South Korea. More generally, China will seek to deepen multilateral fora in the region, such as the Shanghai Cooperation Organization, the Mekong-Lancang initiative, ASEAN, and a new “C+5” initiative with Central Asian states.

Perhaps the most active area, however, has been ties with the developing world. Although always part of China’s omnidirectional foreign policy, their importance to China has been elevated in recent years. Xi Jinping in 2018 described developing countries as “our country’s natural allied forces [天然同盟军] in international affairs.”¹⁷ Here China will deepen what can be called “bi-multilateralism” or “one plus many” arrangements in which China has established forums for engaging in diplomacy with different regions, such as the

¹⁴ Notably, recent Chinese statements do not describe Japan or India as great powers.

¹⁵ Wang Yi, “China’s Diplomacy Amid Centennial Changes.”

¹⁶ Wang Yi, “China’s Diplomacy Amid Centennial Changes.”

¹⁷ “Xi Jinping: Strive to Major Power Diplomacy with Chinese Characteristics.”

Forum on China-Africa Cooperation, China-CELAC Forum (Latin America and the Caribbean), and, the China-Arab State Cooperation Forum, among others. Such groupings allow China to engage much of the developing world in a more systematic and structured way, with a regular schedule of summits and ministerial meetings. Some of these groups were also the target of China's COVID diplomacy, including Latin America and Africa. The developing world is also a major target for the Belt and Road Initiative (BRI), as well as efforts to address the deficit in global governance.

The second foreign policy goal Yang highlighted was "promoting the development of an open system of win-win cooperation." Although part of this includes elements of economic policy that lie beyond the scope of diplomacy, it also highlights China's concerns about protectionism, fragmentation, and decoupling in the international economy. Thus, a likely focus of China's diplomacy would be to pursue efforts aimed at what Yang describes as "maintaining the multilateral trading system." A good example would be the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which Xi Jinping signaled China would consider joining in his speech at the November 2020 APEC conference. Nevertheless, China sees global trade and investment regimes as key to the international component of the dual circulation economic framework. Continued promotion of the Belt and Road Initiative (BRI) falls into this set of objectives, but the focus on the BRI in public statements has been reduced and stresses the pursuit of "high quality" projects. For example, in Wang Yi's extensive year-end speech, the BRI was not featured as a separate category of China's diplomacy in 2020 or for 2021.

A third foreign policy goal Yang discussed is "actively participating in reform and building of the global governance system," a theme highlighted at the 19th Party Congress and in earlier foreign affairs work conferences. Although China's concerns about global governance began early, China likely sees the "governance deficits" as presenting new opportunities, especially in light of the Trump Administration's approach to the United Nations, WTO, and G-20.¹⁸ This also dovetails with China's focus on developing countries, "supporting and expanding [their] voice and representation," and the "democratization" of international relations in which the influence of the most powerful states is reduced. As 2021 marks the 50th anniversary of the PRC's participation in the UN, China may highlight its work

¹⁸ Timothy R. Heath, "China Prepares for an International Order After US Leadership," Lawfare, 2018 (August 1), <https://www.lawfareblog.com/china-prepares-international-order-after-us-leadership>

in the UN this year as part of its effort to increase its influence. As Wang Yi noted, China will seek to enhance the “central position and role” of the UN in international affairs while “enhancing the effectiveness and authority” of the WTO.¹⁹

The last area mentioned by Yang (but not least) is “resolutely safeguarding national sovereignty, security and development interests.” Broadly speaking, this includes the defense of the CCP and China’s “socialist system” as well as other elements of regime security in addition to long-standing sovereignty issues including Taiwan, Hong Kong, Xinjiang, Tibet, and the South China Sea. Although none of the sources describe future approaches on these specific issues, the clear implication is that China will continue to stand firm and press its claims or hold its ground and “resolutely oppose distortion and smearing by anti-China forces.” More generally, Yang calls for “properly responding” to economic frictions and “safeguarding our country’s development space and long-term interests.”

Although a focus on these national interests is long-standing, what has changed in the last year has been China’s much more active and acerbic public diplomacy under the banner of “wolf warrior diplomacy.” Wang Yi, Le Yucheng, Yuan Peng, and others describe China as having fought both the coronavirus and a “political virus” (政治病毒) in the form of US challenges to and critiques of China. In his December 2020 speech, Le Yucheng described China’s approach as “standing up in self-defense and firmly defending our national interests and dignity” when “someone comes to our door...interferes in our housework, and constantly abuse and smear us.” In other words, according to Le Yucheng, when others criticize or challenge China, “we cannot swallow our anger and compromise...naturally, we should carry out a tit-for-tat struggle.” Thus, wolf warrior diplomacy will likely remain part of China’s foreign policy in the coming year, especially in its most contentious relationships.

In many ways, the general foreign policy goals Yang highlighted are not new and were well-established by the 2018 foreign affairs work conference. Nevertheless, the continued pursuit of trade and investment agreements, and efforts to maintain an open trading and investment system, are likely to be top priorities because of their direct links to China’s broader development goals in the 14th five-year plan and because of the need to hedge against further decoupling and decline in relations with the United States. Otherwise, in terms of substance, key themes are likely to support global efforts to combat the pandemic, including providing vaccines as a public good, supporting debt relief, and highlighting

¹⁹ Wang Yi, “China’s Diplomacy Amid Centennial Changes.”

China's economic recovery, especially in the fourth quarter, as a source of global growth.

Another theme for China's diplomacy in 2021 is worth noting, which will revolve around the centennial anniversary of the CCP's founding. Although much of the propaganda and celebrations will be domestic and focused on the Chinese public, it will also be part of China's public diplomacy, to burnish China's reputation and standing after the global pandemic, and to highlight the successes of the Chinese system. As Wang Yi notes, "we will better communicate to the world the CCP's track record of governance...[so that] the world will get an objective view of the CCP and a more accurate understanding of socialism with Chinese characteristics."²⁰ To the degree this narrative encounters push back from other countries, however, it will likely elicit more wolf warrior-style commentary. According to Le Yucheng, "experts and scholars should ... defend the party and the country against political slander and malicious attacks carried by some anti-China forces."²¹

China's National Defense Goals After the Fifth Plenum and Beyond

The five-year planning process plays an underappreciated role in China's military modernization. Although China's military strategy can be changed as threat perceptions and other circumstances shift, five-year plans mark the time when resources are allocated throughout the party-state, including to the armed forces. The national five-year plan is often accompanied by a five-year plan for the armed forces. For example, when China significantly altered its military strategy in January 1993, with the shift to fighting high-tech local wars, resources were only allocated to implement this strategy with the roll-out of the Ninth five-year plan that began in 1996—almost three years after the change in strategy.²² In this way, five-year plans offer a window into general priorities not just for the economy but also for national defense.

The 14th five-year plan is no different and includes a section on national defense that highlighted two topline goals. The first is "accelerating national defense and military modernization," while the second is "realizing the unity of a wealthy country and strong army." The latter indicates that, unlike in earlier periods, defense should no longer be

²⁰ Wang Yi, "China's Diplomacy Amid Centennial Changes."

²¹ Le Yucheng, "Major Epidemic and Profound Changes Call for Great Unity and Great Deeds."

²² See M. Taylor Fravel, *Active Defense: China's Military Strategy Since 1949* (Princeton: Princeton University Press, 2019).

subordinate to the economy but developed in tandem with it. Although the top-level discussion repeats many current slogans, two phrases stand out as areas of emphasis over the next five years. The first is “the fused development [融合发展] of mechanization, informatization, and intelligentization [智能化],” which places intelligentization on par with the other two technological goals, though how it will be pursued remains uncertain at this point.²³

The second noteworthy phrase is loosely translated as “ensuring the achievement of the military’s centenary goal by 2027.” Some news outlets viewed this as accelerating the timetable for the PLA’s modernization—and thus a major change in China’s defense policy. Nevertheless, as the PLA’s founding is traced back to the establishment of the Chinese Workers and Peasants Red Army in July 1927, the plenum’s communique and proposal instead were drawing attention to a centennial anniversary by which PLA progress and modernization could be measured. Neither the plenum’s communique nor proposal indicated that the timetable for PLA modernization as laid out in the 19th Party Congress work report had been changed. These were to “strive to basically complete national defense and military modernization” by 2035 and to “fully complete” its modernization to become a “world-class” military by 2049.²⁴ In fact, paragraph 3 of the “proposal” affirms the 2035 modernization benchmark. During the monthly press conference in November 2020, for example, the defense ministry spokesperson described the PLA’s new centennial largely in terms of the goals in the 14th five-year plan, as discussed below, and thus not a new milestone but of progress toward the 2035 objective.²⁵

The “proposal” released after the conclusion of the Fifth Plenum itself highlights two goals for national defense under the 14th five-year plan. The first outlines specific priorities for PLA modernization as a fighting force, which are described as “raising the quality and effectiveness of military modernization.” One component is further modernizing what the PLA calls “military theory,” which includes strategy, strategic guidance, and operational doctrine. Areas highlighted include building a “strategic system” for the “new era” and developing “advanced operational theory.” As discussed below, a key element will be

²³ On intelligentized warfare, see Elsa Kania, “‘AI Weapons’ in Chinese Military Innovation,” The Brookings Institution, April 2020, https://www.brookings.edu/wp-content/uploads/2020/04/FP_20200427_ai_weapons_kania.pdf

²⁴ On China’s world-class military ambitions, see M. Taylor Fravel, “China’s “World-Class” Military Ambitions: Origins and Implications,” *The Washington Quarterly* Vol. 42, No. 4 (Spring 2020), pp. 85-99

²⁵ http://eng.mod.gov.cn/news/2020-11/29/content_4874839.htm

implementing and refining new operational doctrine for joint operations. A second component is further modernizing the “military’s organization form” (军队组织形态). This is a broad category that includes deepening the reforms from 2015, including the command and management of China’s armed forces. Areas highlighted include accelerating the transformation of the services and People’s Armed Police [PAP], building a “high quality strategic deterrence and joint operations system,” and strengthening joint training and joint support (保障). A third component is personnel, especially education (necessary for intelligentization). The fourth and final component is weapons and equipment. The most noteworthy elements were strengthening “strategic, cutting-edge, disruptive” technologies and the development of “intelligentized” equipment.

The second goal for national defense during the 14th five-year plan is “promoting the simultaneous increase in national defense and economic strength” (促进国防实力和经济实力同步提升). As the defense ministry spokesperson noted in November 2020, “China’s national defense strength does not match its economic growth and is not compatible with China’s international standing and its strategic security needs.”²⁶ Because the PLA is a party-army supervised by the Central Military Commission under the Central Committee of the CCP, coordination between the armed forces and the economy has been hampered because the PLA lies outside state institutions. As a result, greater coordination is needed to ensure further the continued growth of both. Toward this end, the proposal outlined measures to “create an integrated national strategic system and capabilities.” The section also called for making progress in large national defense projects, improving defense scientific research, and improving national defense mobilization.

Two other important documents relating to national security have been released recently. The first is a revised National Defense Law (国防法), which the National People’s Congress passed in December 2020.²⁷ As the previous national defense law had been in place for twenty-three years, since 1997, it was revised so that it would conform with the latest changes in China’s armed forces and provide a legal basis for further implementing rules and regulations. In the area of strategy, the language was slightly altered to include “development interests” in addition to sovereignty and security as well as including cyber,

²⁶ http://eng.mod.gov.cn/news/2020-11/29/content_4874839.htm

²⁷ For a copy of the law as well as related documents, see <https://npcobserver.com/legislation/national-defense-law/>

electromagnetic, and space as domains for national defense in addition to national territory, territorial waters, and airspace. However, both development interests and these new domains were first introduced as part of the idea of the PLA's "new historic mission" by Hu Jintao in 2004.²⁸ The law also now includes requisite references to Xi Jinping Thought and its security-related offshoots such as "building a strong army" and "comprehensive security concept." Otherwise, many features of the law focus on questions of organization. The law, for example, formalizes the chairman responsibility system (introduced in 2014), notes how the People's Armed Police now falls under the sole command of the Central Military Commission (which occurred in 2018) and removes local governments from the chain of command for reserve units. Other changes include the incorporation of non-commissioned officers and contract civilians into defense arrangements.

The second important document released around the time of the Fifth Plenum is the "Chinese People's Liberation Army Joint Operations Outline (Trial)," which was issued by the CMC in November 2020 and signed by Xi Jinping.²⁹ The last change to the PLA's operational doctrine occurred two decades ago, in 1999, when the PLA issued its first joint operations campaign outline (战役纲要) as part of the "fourth generation" of operations regulations issued since 1949.³⁰ Efforts to formulate new operational doctrine for joint operations stalled in the late 2000s, as "fifth generation" of operations regulations were drafted but never promulgated. Similar to the PLA's past operational doctrine, this new outline is classified and will never be openly published.

The promulgation of new operational doctrine is significant for several reasons, as it bears squarely on the efforts to improve the PLA's effectiveness and the success of its modernization efforts. Several points are worth noting:

First, the promulgation of a high-level doctrinal document indicates that the PLA believes it has completed the organizational reforms necessary to be able to focus on preparing to conduct joint operations. Second, the outline is described as "the top-level regulation [顶层法规] of our military's operational regulations system [作战条令体系] in the new era."³¹ That

²⁸ On the new historic mission of the PLA, see Daniel M. Hartnett, "The PLA's Domestic and Foreign Activities and Orientation," Testimony before the US-China Economic and Security Review Commission, 2009.

²⁹ "中央军委印发《中国人民解放军联合作战纲要（试行）》，[CMC Issues Chinese PLA Joint Operations Outline (trial)]," *Xinhua*, November 13, 2020, http://www.xinhuanet.com/mil/2020-11/13/c_1210884857.htm

³⁰ Fravel, *Active Defense*.

³¹ "中央军委印发《中国人民解放军联合作战纲要（试行）》，[CMC Issues Chinese PLA Joint Operations Outline (trial)]," *Xinhua*, November 13, 2020, http://www.xinhuanet.com/mil/2020-11/13/c_1210884857.htm

is, it provides a framework to guide the subsequent development of the PLA's operational doctrine—a process that will unfold over several years as additional outlines and combat regulations for each of the services and combat arms are drafted. Third, the joint operations outline was issued on a trial basis. This suggests either that the promulgation of the PLA's operational doctrine may be more dynamic than in the past, abandoning the focus on issuing a complete set of combat regulations as a package, or that it will be subject to revision as the kinks are worked out. Fourth, the new joint operations outline also codifies the shift from campaigns (战役) to operations (作战) as the unit of analysis for China's operational doctrine, indicating a more nimble and refined approach to the use of force than in past doctrine. Finally, the new outline will play a major role in training. Specifically, it will inform training content, requirements, and standards. In January 2021, Xi Jinping signed the PLA's annual training direction, which indicated that training priorities for the year include joint operations and joint command training.

Prospects for the Use of Armed Force

China's assessment of its international environment as experiencing “profound changes unseen in a century” as well as its foreign policy and national defense goals raise important questions about the prospects for the major use of force during the period of the 14th five-year plan that will end in 2025. Below, I examine the prospects by a major use of force by China, defined as initiating a large-scale attack against another state, most likely on its periphery. Although I expect China will continue to aggressively pursue its interests around its periphery, the use of force will either be too costly for China to undertake or unnecessary because China possesses other tools for advancing its interests. Thus, when seeking to “safeguard national interests,” China will continue to use gray zones tactics or economic coercion or, in a narrow range of cases, fait accomplis. If force is used, it will likely be the result of either an accident or miscalculation, which then escalates to much higher levels of violence.

China is unlikely to initiate a major force for five reasons. First, as noted above, China's leaders view the profound changes unseen in a century as a fraught moment for the country. As China seeks to enter the next stage of its development, instability, and disorder are growing. China seeks to weather this storm through a network of “global partnerships” amid

a “community of common destiny for mankind.” Thus, initiating a major use of force against another country would upset or undermine the pursuit of the omnidirectional diplomacy it has identified as central to navigating these changes.

As a rising but isolated power, China needs to prevent the formation of counterbalancing coalitions, especially during a moment of great flux in the system. China has no formal allies, except for North Korea, which may be more of a security liability than an asset, and to a lesser degree Pakistan. Moreover, China’s rise and behavior have created deep concerns about Chinese intentions, indicating that the region is ripe for balancing against China from many directions. No action would be more likely to spark the formation of such a balancing coalition than a significant use of force against a neighbor. Furthermore, such a use of force by China would also catalyze an even tougher response by the United States and provide the United States an opportunity to play an even greater role in the region (which China would like to reduce).

Second, more narrowly, China’s leaders over the next few years will be focused on hosting a series of domestic anniversaries and events that a major use of force would upset. These include the celebrations for the 100th anniversary of CCP in July 2021, the hosting of the Winter Olympics in February 2022, and, most importantly, the convening of the 20th National Party Congress of the CCP, most likely in the fall of 2022. This congress will be the most important one since the start of reform and opening, as it will focus on consolidating Xi’s rule or start the process of succession to Xi. All these events are critical for the party’s domestic and international image. They are intended to convey the strength, success, and stability of CCP rule, which in turn is viewed as increasing external support for China’s development goals. The major use of force amid these events would raise questions about China’s leadership among those states it seeks to influence, as well as its own public. To ensure the success of these events, China’s leaders will seek to avoid situations that could escalate to high levels of armed conflict.

Third, amid these constraints, China has developed effective ways to pursue its national interests in disputes with other states that do not require the use of military force—gray zone actions and economic coercion. Gray zone actions seek to gain advantage without provoking a military response. These can be undertaken by both military and other government assets and include actions such as salami-slicing and executing a *fait accompli*. China’s emphasis on operating in the gray zone recognizes the clear dangers of crossing the

threshold for the use of armed force and have been employed precisely for this reason—to achieve national objectives without using force. China has employed this approach in most of its sovereignty and maritime disputes, with great success from China’s standpoint. Thus, there is no reason why China will not continue what has been an effective and efficacious approach for pursuing its interests, as it allows China to achieve its goals and avoid the risks/costs of using force against other states.

Fourth, the gap in capabilities between China and its neighbors on all dimensions of national power only continues to widen. This widening gap in capabilities matters for two reasons. To start, historically, China has used usually used major force against its most capable neighbors to arrest a further decline in what it assessed as a deteriorating situation when Beijing viewed these states as challenging China’s interests.³² Now, however, China enjoys a strong and—in many instances—dominant position relative to most of its neighbors. As the gap in power widens, these states are less and less likely to challenge China in ways that would elicit an armed attack or use of force in response. In addition, the growing gap in capabilities and China’s increasing national power gives it a range of tools beyond the gray zone with which to pursue its interests, such as economic or diplomatic sanctions, as seen in China’s response to the South Korean decision to allow the US to deploy THAAD systems or Japan’s detention of a Chinese fishing boat captain. These alternative tools of statecraft will only grow more effective as China’s power increases, further reducing the need for the significant use of military force.

Fifth, as discussed in the previous section, the PLA’s focus over the next five years will be to deepen modernization, as discussed in the previous section. A key effort will be to train the force to be able to conduct joint operations, as envisioned in the new joint operations outline. As the outline was issued on a trial basis, likely subject to revision based on problems identified in training, this process will take time. It will likely take many years for China to be able to conduct these operations, which would increase uncertainty about a major use of force.

As states use force over contested sovereignty more than any other issue, below, I briefly examine the prospects for the use of force in China’s outstanding territorial and maritime jurisdictional disputes over the next five years in order to illustrate the argument above.

³² M. Taylor Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China’s Territorial Disputes* (Princeton: Princeton University Press, 2008).

East China Sea. China has limited goals in the East China Sea, namely, to maintain its claim in the dispute over the Senkaku Islands and to bolster its claims to continental shelf rights up to the Okinawa Trough. Since 2012, China's approach to the Senkaku Islands has been to use coast guard patrols within 12nm of the islands to bring about a de facto dual administration, which weakens Japan's position and allows China to portray that it is exercising sovereignty over the islands. US alliance commitments to defend these islands, which president-elect Biden affirmed in a phone call with Prime Minister Suga in November 2020, also deter China from taking military action. These commitments place clear limits on Chinese aggression against Japan, which is why China has focused on using its coast guard and not its navy to advance and defend its territorial claims. Finally, after years of frosty ties, China has sought to improve relations with Japan as its own ties with Washington have deteriorated, as part of a broader effort to stabilize its periphery.

South China Sea. China has transformed its position in the South China Sea disputes in the past decade by using gray zone actions and building three large forward-operating bases from which to increase China's presence and ability to control these waters. For example, these bases now sustain a large and permanent presence of coast guard and maritime militia vessels in the southern half of the South China Sea. The success of China's efforts to improve its position in the South China Sea disputes reduces the need to forcibly retake the islands and reefs held by other claimants. China no longer needs these features to be able to assert control over these waters. Thus, because China's position already so strong relative to the other claimants, it has little need to use force and can rely either on gray zone actions or economic and diplomatic tools to continue to press its claims. China's diplomacy has also divided ASEAN so that it cannot present a united front to China, and no individual claimant is likely to directly challenge China in a way that would risk eliciting an armed response.

China-India Border. In its largest territorial dispute, China relies on its military much more directly to press its claims than in the maritime disputes discussed above. As the events of this past summer show, culminating the clash in the Galwan Valley, China seeks to improve its position along the border by using its military units to carry out fait accomplis to increase control of territory along the "line of actual control" (LAC), not through large-scale attacks against Indian positions. China has also been building new villages in land claimed by India (and Bhutan) that China controls. This trend of using fait accomplis on the China-India border began over a decade ago and, from China's standpoint, has improved its

position without having to use force. Moreover, each possesses nuclear weapons, which places a hard constraint on escalation to the major use of force on both sides. China may continue to move up to its view of the line of actual control but avoid launching large-scale, direct attacks against Indian forces. In the aftermath of the Galwan clash, China has tried to pursue a reset with India, albeit unsuccessfully.

Taiwan. China has two objectives toward Taiwan: deterring independence in the short to medium-term and achieving unification in the long term, by compulsion if necessary. China's military modernization over the past two decades has played a key role in deterring independence. Within the next five years, the odds of using force will be driven by Chinese perceptions of whether its position regarding Taiwan is improving or weakening. Key factors informing such perceptions are whether Taiwan's leaders pursue de jure independence, or are viewed as doing so, or whether the United States abandons its "one China policy." On both counts, change is unlikely. President Tsai Ying-wen, a pragmatic leader, will serve until mid-2024 and is unlikely to pursue de jure independence. A Biden administration is likely to seek continued to improve ties with Taiwan, but it is unlikely to change the one China policy and will therefore reassure China in one important respect, though managing this balance will be delicate and is not without risk. As the gap in capabilities with Taiwan grows, China also seeks to leverage other tools.

Recommendations for Congress

The analysis above yields several recommendations for Congress: First, Congress should pass legislation to significantly increase the size of the US Foreign Service. As this testimony notes, the principal means by which China seeks to pursue its interests internationally, and especially beyond East Asia, is through diplomacy. According to the Lowy Institute, China now has more diplomatic posts abroad than any other country, including the United States.³³ As shown by Wang Yi's tour of four southeast Asia states earlier this month, China maintains a high-level diplomatic presence in many parts of the world that also matter for US interests. On a day-to-day basis, diplomacy is where much of US-China competition will occur in 2021 and beyond. Thus, increasing the size of US Foreign Service will better equip the United States to meet and manage the many challenges China poses.

³³ Global Diplomacy Index, Lowy Institute, <https://globaldiplomacyindex.lowyinstitute.org>

Second, Congress should pass legislation to create and fund an open-source center or repository of material on issues relating to the entire breadth of China's domestic, foreign, and security policies. A tremendous amount of information is available from Chinese-language sources. Only a very small portion is translated into English, often appearing in outlets tailored for foreign audiences, such as the *China Daily* or English-language edition of the *Global Times*. Even when Xinhua releases an English-language translation of a news item that originally appeared in Chinese, such as coverage of an important speech or meeting, it is often not verbatim but often truncated. Many more not even translated at all. As an example, neither the Fifth Plenum proposal has been translated into English by China.

This proposed center can be "open source" in two ways. First, it can focus on providing to the US government and to the general public translations and analysis of important Chinese documents, commentary, scholarly articles, and news reports. Second, it can crowd-source what items to translate and how to translate key terms from the community of analysts and scholars of Chinese affairs who are proficient in Chinese.