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Understanding China Will Make a World of a Difference

Report by
The China Club of Rome

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For assigning subject headings to this report, the following key words may apply: *Understanding China*, *Economic Development – China, Economic Policy – China, Politics and Government – China, National Culture – China, Geopolitics*.

1 Preface

The mission of the China Association for the Club of Rome (China CoR), amongst other things, is to promote international understanding and cooperation between China and the rest of the world. In its most distilled form, the mission is to reduce geopolitical tensions occurring from the rise of China.

This report is an attempt to fill a void and contribute to reducing said tensions in the process. The void is the need for the rest of the world to better understand the China of today. Almost all the discussions about China and its role in the 21st century take place along deeply divided ideological lines and differences. Interventions and contributions are invariably viewed as either pro-China or negative of it.

In order to build a middle ground of common understanding amongst the globally divided opinions, China COR decided to write this report. It should be viewed as a primer, a presentation of insights and facts to establish a new perspective from which the reader can continue a journey of discovery. Naturally, the authors are well aware of the difficulties of writing a report that satisfies the diverse interests of the intended global audience.

The objective is to provide readers with insights into China based on available information, and drawing on the experience gained by China CoR founders, who have many years of experience working in China. Needless to say, there is some level of interpretation but at all times the commitment has been to seek balance and being impartial.

Given that so much of what is written about China over the last decade has been driven by ideological differences, the authors are conscious that the absence of

(oft-repeated) criticism of China on certain (well-known) issues may be viewed as a (disturbing) bias.

Therefore, the authors would like to state that we have tried very hard to make the report as precise and balanced as possible. So that it is neither pro nor anti-China. Getting this nuance right that has been the most challenging aspect of writing this primer.

1 Introduction

China has rapidly grown from a country with a sizeable population and constricted economy in the late 1970s, to one of the leading economic powers in the world in 2021. Four decades since the country undertook the monumental decision to "reform and open-up", it stands as a prominent regional and global power, as well as an "economic super-connector" with extensive economic ties and influence over a large number of states – especially states historically neglected by the Western liberal order. Understanding China comprehensively – its past, present, and future; its shortcomings and strengths, opportunities and risks – is pivotal to anyone who seeks to engage with serious international geopolitical analysis and enhance international cooperation.

This paper submits that China's rise, on net, is in the interest of the world and yields positive global impacts. It has lifted a sizeable proportion of the global population out of poverty[1]; it helped consolidate the world's supply chains and vastly enhanced its own technological capacity and efficiency. It has promulgated critical scientific and technological breakthroughs, as well as opening up the largest consumer market – in mankind's history – to foreign investment, trade, and business. Nevertheless, with its rise has also come a plethora of critical issues – the perception of its, at times, adverse overseas sociocultural influence, the sustainability of its growth, its unique political structure, and its distinctive governance system. These issues must be dealt with through intensive and respectful dialogue, understanding, and cooperation for global progress – and not the substance of confrontation.

[1] https://www.worldbank.org/en/country/china/overview

The rise of China was always going to be inevitable, and in many ways then, inexorable. This neither calls for mindless optimism and zealous embracing of all that the country has to offer; nor, of course, should the world respond with hasty dismissal and alarmist rejectionism that embeds the understandable – albeit mistaken - assumption that, "Only the West, can be best." The path forward behoves all parties to partake in constructive engagement, collaboration, and organic liaison – and to resist the temptations to conclude, erroneously, that the past four decades of internationalisation and globalisation have not helped China reform for the better. They certainly have – and the upcoming chapters of this very paper will seek to show how.

China – in many ways – constitutes an enigma for the West. It offers a serious, albeit by no means exclusive, alternative to the Western liberal democratic order – which, despite having continually served the West and its citizens in a largely functional manner, is increasingly befallen by problems and challenges of its own. The Chinese government, whilst by no means flawless and immune from criticism, also demonstrates a government that is responsive to public needs, interests, and wills, without being directly elected – at its highest levels – by its citizenry. Some term this model of governance autocracy; others portray it as self-evident meritocracy. Any talk of a holistic, independent China Model remains premature – but it is imperative that the world get to grips with the governance model adopted by China, and its origins, rationale, and shortcomings, without being sidetracked by political quibbles and emotive rhetoric from all sides. China is not an enemy or a threat – it does not export its governance model, either. The international community, particularly the West, should respect the diversity of governance systems that can flourish in the world – and the Chinese system is indeed just one amongst many.

Where the West sees poles of power and spheres of influence, the Chinese sees elements within a continually evolving *Tianxia* – an all-encompassing zenith comprising self-governing, sovereign states underpinned by their own governance logics, yet economically and socially embedded within networks connecting them with China. China views global interconnectivity and autonomous governance not as mutually exclusive, antithetical poles, but as complementary forces – it is perhaps this worldview, too, that renders its actions and gestures often construed, and at times with good reason, as being economically expansionist. Yet such perceptions cannot be conflated with reality: China may act in an expansionist manner, but its interests remain deeply rooted in and is centered around the preservation of stability and political unity in its own territory, as well as its own peaceful rise. [2] Territorial integrity, not expansiveness, undergirds Chinese actions – both domestic and abroad.

For scoping purposes, this paper focusses predominantly on China since Deng Xiaoping 's "reform and opening-up" policies, introduced in the early 1980s.[3] The case for such focus is as follows: contemporary China's economic and social infrastructure was predominantly fomented and shaped through the era of rapid modernisation and liberalisation under Deng Xiaoping; whilst Mao Zedong certainly played a pivotal role in establishing the national ethos of modern China, the primary period in which contemporary China took form and shape remains the years since Deng's ascent to power. Pre-1980s periods will be referred to, both as a historical backdrop, and to contextualise and inform the world's understanding of incentives and rationale of contemporary actors today.

[2] https://www.e-ir.info/2015/10/15/the-peace-in-chinas-peaceful-rise/
[3] Ezra Vogel, "Deng Xiaoping and the Transformation of China" (https://www.amazon.com/Deng-Xiaoping-Transformation-China-Vogel/dp/0674725867)

Throughout the past four decades, the Chinese government has continually undertaken reforms with the aims of accomplishing the dual objectives of improving governance efficiency and maximising economic dividends for its citizens – thereby aligning the interests of the ruling party and the public at large. With respect to the latter, particular focus has been placed upon improving the lot of the people and to end poverty within the country.[4] Yet the country is also confronted by a series of structural challenges – the "obvious" being the extent to which it could overcome the mid-income trap; the risks of over-isolationism in international trade and politics, the volatile relationship between state and private sector in the country, and the environmental and sustainability-related challenges that accompany its rise.

This paper is hence interested in a variety of questions, beyond unpacking the above quandaries concerning China's governance ethos and first principles. In Chapter 2, it delves into the structural causes and roots of China's rapid rise, as well as diagnosing the motivations that drive decision-makers and veto-players in national, provincial, and local politics.

In Chapter 3, this paper explores the internal strengths and weaknesses of Chinese governance, grappling with the measurement and evaluation of how China is performing across the multitude of dimensions tracking governmental competence. In Chapter 4, this paper grapples with the question of how China is governed, dispelling and addressing existing misconceptions concerning its distinctive and complex system of governance.

In Chapter 5, the paper delves into the implications and consequences of China's ascent for the world at large – the benefits, challenges, and prospective gains that

[4] http://www.xinhuanet.com/english/2021-04/06/c_139862741.htm

China has and continues to offer the world. This chapter also offers an evidence-informed prognosis that seeks to identify the forces steering the country's growth in the short- to medium-term, as well as its likely long-term trajectory. Chapter 6 continues with a discussion of how international perceptions of China have changed, especially in view of the country's precipitously trenchant foreign policy and the COVID-19 pandemic. This section also briefly surveys China's interests and motives in its interactions with core regions and entities such as the Five Eyes Alliance, the European Union, the Association of Southeast Asian Nations (ASEAN), Africa, and the Middle East. Chapter 6 closes with recommendations and prescriptions on how states – especially those in the West, including the European Union – ought to engage with a country that encapsulates 20% of the world's population. Chapter 7 concludes the paper.

At critical times like these, it is all the more imperative that the world and China alike cultivate a sustainable, convivial, and successful set of working principles through which mutual interests can be enshrined – as opposed to confrontation and conflict. These principles will serve to hopefully address many of the perceptual and actual sources of tensions discussed in Chapter 6, as well as reflecting concerns and key interests from both China and the West.

Thus, the following working principles in the international community's engagement with China are proposed. The hope is that with these principles, existing and future tensions can be adequately defused, with prospects for mutual benefit and collaboration identified and pursued. These foundational propositions should not be side-tracked by entrenched ideological posturing. Instead, they ought to be continually debated and reflected upon – with inputs from all sides of the table:

1. **There is more in common between China and other countries in the world – the West, particularly – than separates them.** Both China and the world at large are confronted by challenges ranging from public health crises, domestic and international terrorism, climate change, and the challenges posed by nascent technologies.
2. **China is "crossing the river whilst feeling the stones"[5].** Its actions and gestures should not be read as definitively embodying the intentional steps undertaken to accomplish a monolithic political vision.
3. **Working with each other requires China and the West alike to see the world through the other's lenses – though this by no means implies acceding fully to the other's wants and needs.** Understanding China requires the rest of the world to get to grips with China's point of view, which cannot be accurately interpreted and understood through the lived experiences, analogies, and literature familiar to only the West.
4. **China should not be viewed as a state that seeks to become like the West – nor should it be reasonably expected to.** On the other hand, indeed, nor should it be one that seeks to reject the West (or viewed to this effect), whether it be out of nationalistic sentiments or skewed confidence in its own institutions.
5. **At the same time, whilst there exist contours of a fledgling and rapidly developing China Model, the talk of a distinct China Model remains premature**– in interpreting China, there is an active need to return to the basics of incentives that drive its apex politicians, bureaucrats, burgeoning civil society and middle class, and its sizeable grassroots population. In seeking to make sense of how China governs internally, it is equally

[5] *Per* Deng Xiaoping

important to note that China does not seek to export its model of governance.[6]

Regardless of how one may view China – as a potential rival, competitor, ally, or parallel system to the established Western logic, one must at least understand it comprehensively – and not through partisan, politicised lenses, or historical biases and prejudices. Only through empirically informed analysis delving into the country's institutions and people – drawing upon both culturalist and materialist lenses – can the world fully understand China today. China is not a threat – given its size, scale, and vast potential, its rise will inevitably generate challenges, but in tackling and resolving these challenges *with* China, the international community, as a collective, improves and grows.

[6] https://www.scmp.com/week-asia/opinion/article/3104000/us-fears-competition-its-status-head-global-order-must-now-be (Chandran Nair Article)

2 China's Rise

The following chapter seeks to explore the extent to which China has risen, as well as the underlying factors that enabled its astronomical expansion and growth as an economy and global power. In doing so, this report strives not to glorify or downplay China's successes and setbacks, but to offer a relatively comprehensive survey of possible interpretations and explanations for China's positive trajectory over the past decades. China's rise can be observed and tracked across a multitude of areas – including but not limited to, the economic, the political, the military, and, finally, its global and international reach.

3.1 Measuring China's Rise

One could often hear the phrase "China is rising.", or "China has risen." Yet it remains less than clear what this phrase in fact, specifically, *means*. China's *ascent* as global economic power and a regional military power is a multi-decade process, with its growth and surge straddling a multitude of spheres: the economic, the political, and the military. The following seeks to offer an objective and fact-based exposition of the realities, as well as highlighting the different means by which China's rise can be measured and tracked.

Economically, China's rise should be interpreted contextually through the particular lenses of its economy's rapidly increasing pre-eminence in global industrial, investment, production and consumption chains. China accounted for 1.62%[7] of the global economy GDP in PPP terms in 1987, rising to 18.3% of the world's GDP in 2020 (cf.Fig. 1).[8]

[7] All figures in this report have been rounded to 3 s.f.
[8] https://www.statista.com/statistics/270439/chinas-share-of-global-gross-domestic-product-gdp/

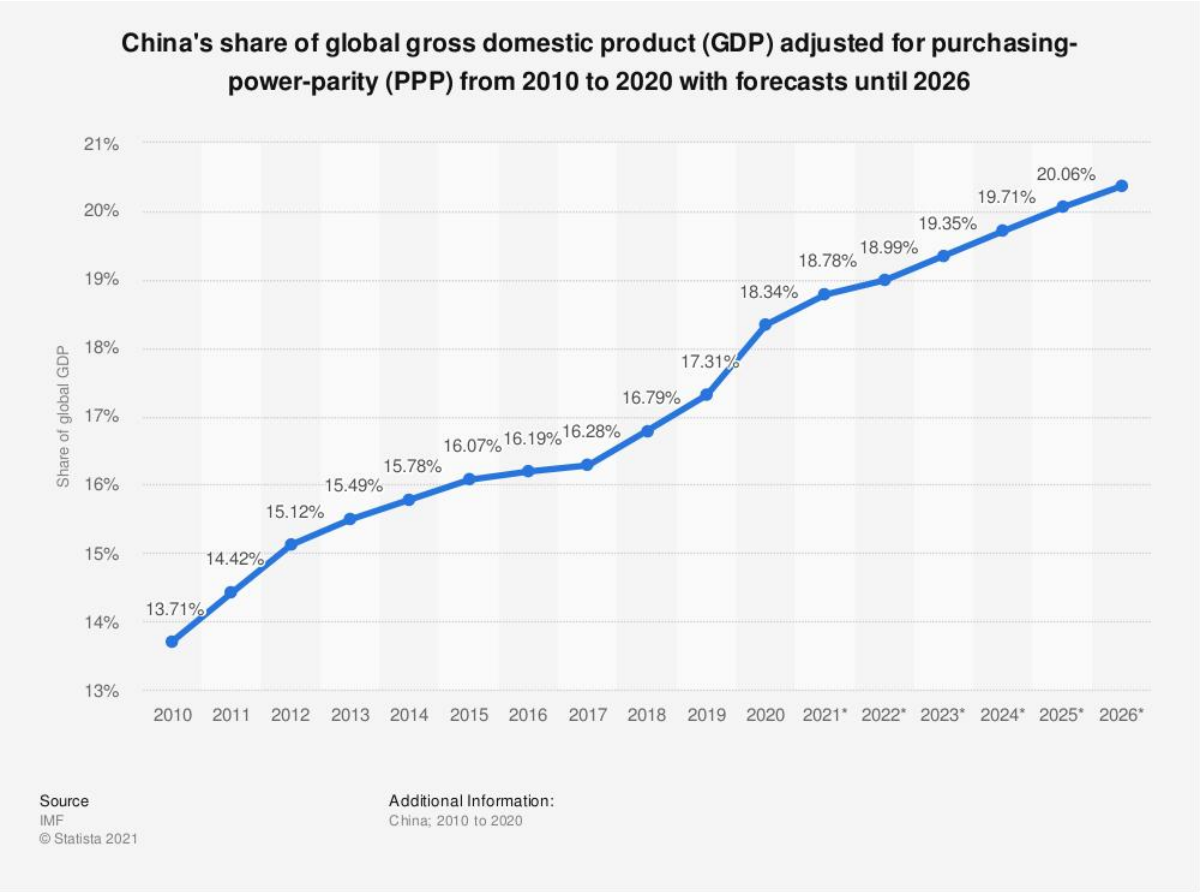


Fig. 1 – China's share of global GDP, adjusted for PPP, from 2010 to 2020.[9]

From 1978 to 2005, the country maintained an average annual growth rate of 10%[10] - reaching a historic high of 15.2% in 1984 and relative low of 3.8% in 1990.[11] The past four decades saw the national economy transition from a state-driven, Maoist, planned economy, to a hybrid economy that synthesises, through a delicate balance of, sectors fuelled predominantly by private investment through de-regulated, laissez-faire systems of capital consolidation, and state-driven sectors of critical and strategic importance, in which protectionist and interventionist governmental policies play a more substantial role in steering industrial directions and strategies.[12] The total volume of inward flow of Foreign

[9] https://www.statista.com/statistics/270439/chinas-share-of-global-gross-domestic-product-gdp/
[10] https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=CN
[11] http://data.stats.gov.cn/english/
[12] https://www.project-syndicate.org/podcasts/the-communist-party-of-china-at-100

Direct Investment (FDI) in China increased by a factor of over 150 between 1983 ($916 million USD[13]) and 2019 ($141 bn USD[14]), with particularly pronounced surges in the early 1990s – coinciding with the country's second wave of liberalisation and opening-up. China is now the second largest economy in the world in real GDP terms, and the first in PPP terms (after overtaking the US in 2017).[15]

Furthermore, it is imperative that countries around the world address China's political ascent – though valid questions can and indeed ought to be posed over how such a rise can be measured. It is easy to exaggerate China's global political influence, especially given the ideologically charged nature of contemporary debates. Yet fundamentally, China's rise as a regional or global political actor is perhaps best captured through two proxy indicators: its presence in international and multilateral organisations, and the extent to which its government is supported and endorsed by its own (expanding) population.[16]

On the first, China substantially increased its formal and informal powers across multilateral institutions, in the decades that followed its economic opening-up. In 1977, China had belonged to twenty-one international organisations, though few Chinese nationals, if any, held significant sway in them. Deng's and Jiang Zemin's economic liberalisations saw China join international institutions such as the International Monetary Fund (IMF), Asian Development Bank, and the World Intellectual Property Organization.[17] Yet it was not until 2006, that the first Chinese national was elected to head a top-tier international organisation – Margaret Chan (HKSAR, China) was nominated and elected as Director-General

[13] https://www.oecd.org/industry/inv/investment-policy/WP-2013_1.pdf
[14] https://www.nordeatrade.com/en/explore-new-market/china/investment
[15] https://fortune.com/2021/01/18/chinas-2020-gdp-world-no-1-economy-us/
[16] https://ash.harvard.edu/news/ash-center-researchers-release-landmark-chinese-public-opinion-study
[17] https://www.cfr.org/china-global-governance/

of the World Health Organisation (WHO), a remarkable first. In 2010, China's vote share increased to 4.42% from 2.77% at the World Bank, rising to 5.05% (ranked third amongst all countries) by 2019, alongside two out of 32 senior positions in the World Bank leadership.[18] The country's financial contributions towards the United Nations (UN) have steadily increased over the years, surpassing Japan's 8.5% over the years 2019-2021, with 12.0% of the UN budget drawn from China. The historic displacement of Japan has been touted by many as evidence of China's surging strength in the United Nations – though domestic commentary has downplayed the significance of the numerical crossover.

A further note on this front – China has accrued substantial influence as a global economic engine and powerhouse throughout the past decades, playing a pivotal role via its substantial interconnectivity with networks of natural resources, human capital, financial capital, and labour. In November 2012, in the aftermath of the 2008 economic recession, China surpassed the United States to become the world's largest trading nation – with 124 countries considering China their largest trading partner. [19] China's focus on importing raw materials and parts, and exporting finished, high-end or manufactured products, has lent it a distinctive niche and edge as compared with counterparts with distinctly costlier factors of production – e.g., the United States.

As for the second, the Chinese government has continually entrenched its popularity and mass support amongst its population – through a combination of robust economic results and resounding sociocultural solidarity. The Ash Center's historic study – with results published in 2020[20] – find that the overall level of satisfaction amongst citizens towards the central administration has

[18] https://www.reuters.com/article/us-worldbank-idUSTRE63O1RQ20100425
[19] https://www.china-briefing.com/news/china-becomes-worlds-largest-trading-nation-passes-u-s/
[20] https://news.harvard.edu/gazette/story/2020/07/long-term-survey-reveals-chinese-government-satisfaction/

increased from an average of 3.16 (out of 4) in 2003, to 3.31 and 3.3 in 2015 and 2016, respectively. Similar increases have been observed on the township and provincial levels, with an increase from 2.32 to 2.8 for the former between 2003 and 2016, and 2.89 and 3.1 for the latter.[21] The resilience and durability of the Chinese administration have increased substantially throughout the past decades – and were certainly amplified by the country's handling of the COVID-19 pandemic last year.[22]

Finally, when it comes to the military, metrics of measuring strength ought to be multidimensional, encompassing not only considerations pertaining to expenditure, but also relative strength and scope of military influence. As a military power, China has progressively sought to streamline and specifically enhance its armed forces' capacities. Through substantial reductions in the number of actively enlisted personnel (from 3.9 million in 1985 to 2.7 million in 2018), the army significantly raised the volume of capital invested into each member of the active force. [23] The overarching strategy of Deng's and his successors' military reforms has been to improve working efficiency whilst minimising the volume of resources consumed by the army – despite the latter, the country's defence expenditure has steadily increased over the past 20 years, and it is now the second largest military spender in the world, second to only the United States – per unofficial estimates by Stockholm International Peace Research Institute (SIPRI), whilst the United States spent $767bn USD on the military in 2020, China's spending amounted to around $245bn USD (cf. Fig. 2)[24].

[21] https://ash.harvard.edu/files/ash/files/final_policy_brief_7.6.2020.pdf
[22] https://thediplomat.com/2020/05/how-chinese-nationalism-is-changing/
[23] http://bellschool.anu.edu.au/sites/default/files/publications/attachments/2015-12/RHuisken_The_emergence_of_China_as_a_military_power_2013_4.pdf
[24] https://www.statista.com/chart/16878/military-expenditure-by-the-us-china-and-russia/

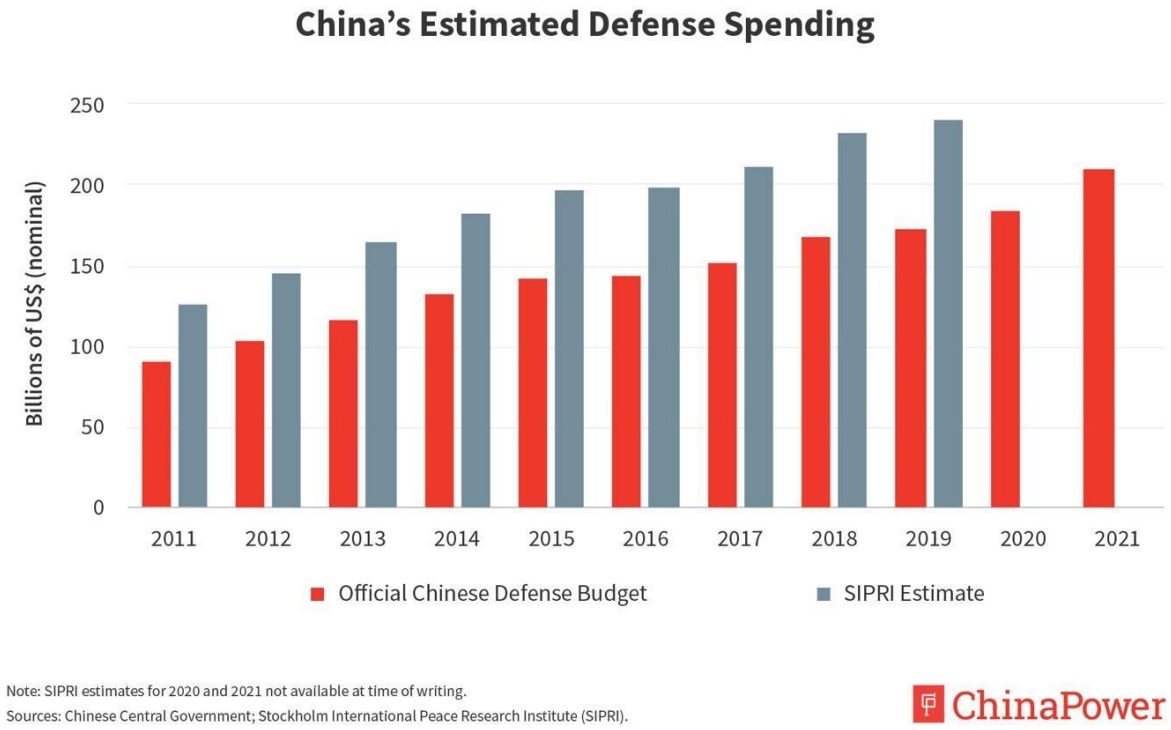


Fig. 2 – China's estimated defense spending over the past decade. The data is drawn from both official Chinese sources and the Stockholm International Peace Research Institute.[25]

With respect to maritime capacities, China launched its first aircraft carrier (*Liaoning*) in September 2012, with the second (*Shandong)* launched in 2017. From a largely continental and territory-centric approach to its military inherited from the days of Mao, the country has taken on a distinctively more outward-looking position in its foreign security projection – though claims that China is thereby a hegemonic actor seeking global dominance or projection are erroneously exaggerated: China has only one overseas naval base in Djibouti, as compared with the US, which maintains 800 bases in over 70 countries and territories.[26]

[25] https://www.csis.org/analysis/understanding-chinas-2021-defense-budget
[26] https://www.scmp.com/news/china/military/article/3125171/size-chinas-navy-may-be-closing-gap-us-fleet-what-can-pla-do

What the above demonstrates, therefore, is that China's rise is a multi-faceted process. The Chinese government recently declared that it has successfully eradicated extreme poverty – lifting hundreds of millions out of its denizens out of the direst of circumstances.[27] It is tempting to reduce China's ascent to purely raw economic and materialist terms – yet doing so would neglect the substantial level of hard power and international strength, as well as the internal advancements to the livelihood of its citizens, that the country has accumulated over the years.

It also behoves actors seeking to understand China to contextualise the country's governance records and inadequacies in the context of its steep developmental curve – for a country whose GDP per capita has increased by over 60 times across the last four decades[28], whilst its governance track record is by no means perfect, the numbers speak for themselves: China has come a long way – though it still has a long way to go.

3.2 Factors underpinning China's Rise

What are the factors that could explain China's rise since the early 1980s? The following seeks not to provide an exhaustive list of accounts and hypotheses, but to instead outline the most significant explanations and variables for consideration.

3.2.1 Productivity-centred economic reforms and improvements

[27] https://www.bloomberg.com/opinion/articles/2020-11-29/xi-jinping-scores-big-against-extreme-poverty-but-china-still-has-its-poor
[28] https://www.ourhkfoundation.org.hk/zh-hant/report/achievements in the countrys reform and opening up

China's economic "miracle" – substantial growth, accelerated improvements to quality of life, and radical boost to capital stock and investment – was largely propelled by a series of productivity-centered economic reforms, undertaken with the objective of sustaining the country's contiguous growth. Chinese productivity increased at a paltry annual rate of 1.1% per year during 1953-78, which rapidly tripled to 3.9% per year during 1979-94, upon the introduction of market-centric reforms. By the early 1990s, productivity constituted over 50% of output growth, whilst the share contributed by capital dropped below 33%. To put this in perspective, the American productivity growth rate was only 0.4% per year during 1960-89.[29]

Deng's market reforms spurred productivity[30] surges in three distinctive ways – first, through reforms that allowed producers to retain surplus profits gained from selling their products, they stimulated competition and innovation in rural collective enterprises and small, private, independent businesses (*getihu*s). Second, in decentralising (especially during the 1980s) economic governance and relaxing controls over establishment and operations of business ventures, these reforms liberated businesses from the shackles of excess bureaucratism and statist interference. Finally, the (relative) liberalisation of internal capital markets within China enabled firms to raise funds – through borrowing (in the 1980s and 1990s) and, upon the establishment of stock exchanges, IPOs and partnering-up with foreign investors (in the late 1990s onwards) – to fund their long-term-oriented innovation and research. The upshot was – it was through qualitative improvements in *human capital* (labour) that China achieved its successes in the early days of the Reform Era.[31]

[29] (https://www.imf.org/external/pubs/ft/issues8/index.htm)
[30] This report takes productivity to denote the volume of output per man-hour.
[31] (https://www.imf.org/external/pubs/ft/issues8/index.htm)

3.2.2 Intense and substantial investments into infrastructure

China has benefited substantially from its government's intense and considerable infrastructural investments. The average Chinese citizen has experienced significant progress – especially over the past four decades – in spheres ranging from education, health, energy supply, housing, sanitation, to the opportunities to travel within and beyond the country. In particular, travel infrastructure has served as the backbone to the national government's ongoing quest to fully connect and embed the countryside, cities, and suburbs across provinces and national corridors within the cross-country transport networks.[32] China's railway – the primary basis of long-distance transport within the country – has expanded considerably since the PRC's establishment in 1949. By 2016, China had constructed over 139,000km of railway lines – second in length only to the USA (150,000km in 2019).[33] China also has over 5 million km of highways, amongst which expressways take up over 150,000km.[34]

China spent up to 9% of its GDP on infrastructure in the 1990s and 2000s, which contributed substantially to the stimulation of economic growth, employment opportunities, and development of a robust and sophisticated network of capital (loaners, borrowers, and banks). Many have argued that China's willingness to expend substantial volumes on improving its internal infrastructure, has enabled the country to pull ahead of proximate rivals such as Brazil and India (there, infrastructural investment occupies no more than 2-5% of their national GDP).[35]

[32] https://www.financeasia.com/article/infrastructure-investment-will-play-a-key-role-in-chinas-economic-recovery/465372
[33] http://www.xinhuanet.com/english/2020-12/22/c_139610426.htm
[34] http://www.xinhuanet.com/english/2020-12/22/c_139610426.htm
[35] http://www.turkishweekly.net/op-ed/2852/infrastructure-investments-in-an-age-of-austerity-the-pension-and-sovereign-funds-perspective.html

Infrastructural investments have served three pivotal functions in relation to China's developments – a) in stimulating internal consumption and demand for resources and equipment within the country; b) in advancing productivity and improvements to the production and distribution of goods and services (see 2.2.1), and, above all, c) in creating employment opportunities for individuals with low- to mid-level education backgrounds.

With respect to a), infrastructural investments have – through the multiplier effect – vastly enhanced the supply of capital and liquidity within the Chinese economy: firms and contractors who benefited from constructing such infrastructure, have in turn grown to act as primary engines of economic growth in the country, whether it be through the production and sale of consumer goods, importing and exporting of commodities related to construction, or, indeed, piggybacking off the enhanced interconnectivity between cities and the countryside to distribute a wider range of products. Additionally, enhancements to transportation have also facilitated rapid urbanisation and sub-urbanisation across large tracts of the country. This has in turn proven to be crucial in mobilising untapped human capital, and transforming it into harnessable labour for the country's highly concentrated economic developments in the city. Indeed, the returns from investment into infrastructure have been broadly lucrative and promising – infrastructure investment's share of China's total fixed asset investment (in terms of value and net worth) has steadily increased over the years, from no more than 5% in 2007, to nearly 30% in 2019.[36]

The productivity boost (b) is equally apparent. Advanced transportation networks enable the transfer of goods, services, and human capital at relatively efficient rates. Indeed, aviation traffic has expanded considerably in the country – China

[36] https://www.financeasia.com/article/infrastructure-investment-will-play-a-key-role-in-chinas-economic-recovery/465372

is currently the world's second largest and fastest growing aerospace and aviation services market – in 2019, the value of China's aviation industry output stood at $53.3bn USD[37]. In 2009, passenger throughputs of all airports in China stood at 486 million[38]; in 2020, despite the ongoing COVID-19 pandemic, the number had risen to over 850 million passengers.[39] The substantial volume of passengers and air freight is pivotal in not only enshrining the country's status as a leading aviation hub in Asia and the world at large, but also in facilitating and expediting internal supply and consumption of goods within the country. The productivity gains from improved interconnectivity are likely to continually sustain China's ascent as an economic powerhouse – through the streamlining of supply chains, consolidation of human capital, and optimising exchanges in personnel and equipment within the country.

Finally, Chinese investments into infrastructure have created vast employment opportunities for millions in the country. Indeed, by 2017, a vast majority of employees in the construction industry in China were informally hired rural migrant workers – as opposed to urban workers with formal employment contracts (although concerns could and should be raised over the safety and legality of their employment conditions)[40]. This proposition equally applies to beyond jobs in relation to construction and transportation – indeed, official Chinese numbers estimate that the country's ongoing investment into telecommunications will directly create 3 million jobs by 2025.[41] Infrastructural investment is hence clearly a significant pillar of China's economic expansion and growth.

[37] https://www.trade.gov/knowledge-product/china-aviation
[38] https://data.worldbank.org/indicator/IS.AIR.PSGR
[39] http://www.china.org.cn/business/2021-04/14/content_77404626.htm
[40] https://clb.org.hk/content/understanding-and-resolving-fundamental-problems-china%E2%80%99s-construction-industry
[41] https://global.chinadaily.com.cn/a/202005/06/WS5eb2153fa310a8b2411538ae.html

A further note on public financing[42] – i.e. how China's substantial state spending is financed. The Chinese economic miracle succeeded without excessive dependence upon foreign debt, loans, and taxes, through a dexterous synthesis of creative central bank policy and prudent fiscal policies designed to prevent superfluous inflation. Per economist Jorgen Randers, the Chinese adopt a combination of high taxes (especially in urban centers and areas of relative economic development) and rigorously controlled monetary policies (e.g. printing money and quantitative easing) as means of financing its operations. The Chinese model of financing prioritises governance, as opposed to generating dividends for private shareholders and capitalists, as the core objective of finance. The emphasis is placed distinctly upon a creative and dynamic synthesis of bonds, loans, and production of new money in order to support state-owned enterprises and dominant private sector firms on their significant financial undertakings. As compared with alternatives – raising interest rates and taking on substantial national debt, this is certainly a relatively sustainable and risk-free approach to public financing, which nevertheless could only be adopted by states where public reluctance and resistance to monetary and capital controls is minimal.

As argued by Jorgen Randers[43], the Chinese economy's spectacular growth is undergirded and propelled by "the controlled creation of credit by the state, channeled via state banks to the projects that China prioritise according to the current 5-year plan". The regular intervals at which plans are designed, calibrated, and updated reflect the latest inflation and growth statistics, in a manner that precludes excessively ambitious or erroneous approximations of the state of the economy. Readily available credit access – with strict, top-down steering and monitoring by the Chinese Central Bank, in turn spurring both infrastructural and

[42] https://www.lincolninst.edu/sites/default/files/pubfiles/chinas-local-public-finance-in-transition-chp.pdf; also see https://openknowledge.worldbank.org/handle/10986/6360

[43] Jorgen Randers, "The Chinese Economic Miracle. How Was It Done?" (www.2052.info/Papers/p191023 The Chinese miracle - How it was done.docx); (www.2052.info/Papers/p180406 Why did China succeed-list.docx)

private investment, has sustained China's economic trajectory through some of the worst economic downturns in history – e.g. the 2008 Global Financial Crisis and 1997 Asian Financial Crisis, which left China largely unscathed.

3.2.3 Emphasis upon strategic, intense technological research

As wages appreciated during the late 2000s and throughout the 2010s – with, as a result, factories and firms relocating out of the country's increasingly expensive production ecosystem – the Chinese administration recognised that the productivity surplus the country had been banking on previously was no longer sufficient in attracting foreign capital and sustaining its export-driven economic trajectory. Hence, as a means of diversifying its sources of productivity growth, Beijing began investing heavily into technological research.

The country's technological ascent can be captured by two distinct dimensions: the *input factor* (e.g. how much it invests, governmentally or via civil society, into technological research), and the *output factor* (e.g. how much it produces, via research undertaken endogenously or overseas). In the 1980s and 1990s, China overhauled its Academy of Sciences to fund pre-commercial research conducted by independent, peer-reviewed academic experts drawn in from across the world, based in their own universities. Concurrently, through a mixture of compact high-tech zones and top-down bodies such as the National Natural Science Foundation and the State Key Laboratory programmes[44], the Chinese government took to promulgating technological growth and expansion in advanced research in sectors of both strategic and nascent importance. Between 2003 and 2012, GDP expenditure on technological R & D rose from 1.13% to

[44] https://www.cpp.edu/~zywang/wangchina2007.pdf

1.98% per year[45]; by 2020, the figure was 2.40% per year[46]. Beijing has worked closely with the private sector in funding its research – with 77% of total research expenditure in 2015 coming from private enterprises.

On the question of output – in 2009, China's share of the total number ofpatents filed worldwide was 17.0% per year; by 2019, it had leapt to 43.7% per year - with 88.8% amongst Chinese patent applications filed by residents, as opposed to non-residents, in 2019.[47] Per Fig. 3, China's office received more than twice the amount of patent applications received by the U.S. in 2019. China has benefited hugely from waves of overseas "returnees" – individuals who had studied abroad and sought to return to and build in the country for a roster of reasons, including the job opportunities available, hostility of foreign states' visa regimes and civil societies, and the slowing economic growth rates in leading "alternatives", such as the United States and Europe. The Chinese leadership's heavy emphasis upon technological *experimentation* has plausibly played a pivotal role in driving the country's productivity and capital growth post-2000.[48]

[45] http://unesdoc.unesco.org/images/0023/002354/235406e.pdf
[46] https://news.cgtn.com/news/2021-03-01/China-s-R-D-spending-rises-to-record-2-4-of-GDP-in-2020-YhqaulWMx2/index.html
[47] https://www.wipo.int/edocs/pubdocs/en/wipo_pub_941_2020.pdf
[48] https://thediplomat.com/2018/08/understanding-chinas-technological-rise/

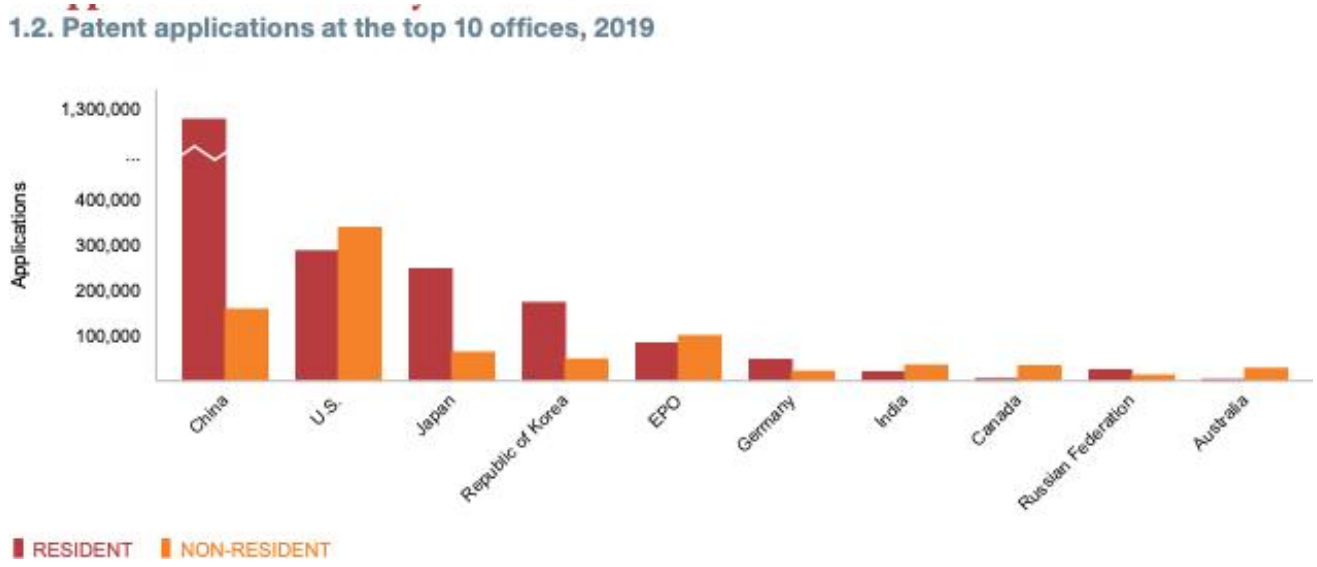


Fig. 3 – Top ten World Intellectual Property Organization offices in the world by number of patent applications in 2019.[49]

3.2.4 Distinctively communitarian, collectivist civic culture

Culturalist explanations argue that the successes of China can be attributed to the distinctive cultural mores and values adopted by its citizens. Senior Fellow at the Center for New Political Economy at Fudan University Chen Ping posits that the Chinese emphasis upon discipline, compliance with the laws of the land, and deeply ingrained industriousness are pivotal factors that account for the country's economic rise.[50] Other voices have suggested the distinctive blend of materialist individualism and post-materialist, nationalist collectivism has acted as a critical coagulant that holds together the collective fabric of a society that has selectively and tactically embraced individualist ideals on matters of individual consumption, employment, career progress, and production – whilst concurrently acceding to the need for sacrifice *for the greater good*.[51]

[49] https://www.wipo.int/edocs/pubdocs/en/wipo_pub_941_2020.pdf
[50] 陳平，「中國道路的本質和中國未來的選擇」，《經濟社會體制比較》，2012 年第 3 期
[51] For more on this, see Shi Tianjian's excellent research/works – especially 'The Cultural Logic of Politics in Mainland China and Taiwan' (2015)

These culturally enshrined dispositions have played a critical role in ensuring widespread acceptance of governmental steering and policies amongst the country's population. Yet it had also lent normative legitimacy and credibility to the relatively high taxes levied by the Central Administration, as well as acceptance of national edicts and policies legislated in Beijing. Note, such collectivism should not be conflated with Confucianism – whilst Confucian ideals and values have remained somewhat salient amongst the Chinese masses, the charge that the country's leadership and civil society are underpinned largely by Confucian thought, is both overstated and anachronistic.[52]

Culturalist explanations are parsimonious and plausible – though a caveat must nevertheless be included here: culturalist explanations are often difficult to falsify or establish empirically, largely as a result of the ambiguities involved in determining what counts as a valid indicator or reflection of a particular cultural "genome" or type. There exists innate underdetermination in terms of how one may interpret particular behavioural tropes; the Chinese could just as much be portrayed as "industrious", as be interpreted as simply "deferential to authority"[53] – both descriptions are equally supported by the (limited) empirical evidence that exists.

3.2.5 Long-termist political planning, stability, and coordinative efficiency

Whilst the case can be – at times – overstated, China is spearheaded by senior bureaucrats who regularly engage in long-termist planning, not just in economic terms, but also with respect to questions of political and institutional reforms. Economic policies are demarcated through five-year plans, which comprise blueprints that channel long-termist visions through short- to medium-term policy

[52] https://chinachannel.org/2018/06/29/legalism/
[53] See Almond and Verba

directives and decisions. More significantly, perhaps, since the termination of the Cultural Revolution and Deng's ascent, China has placed substantially greater premium on the development of manageable, cogent, and practicable five-year plans, prioritising attainability over rhetorical or ideological flair.[54]

Five-year plans are a pivotal element in Chinese governance. Since 1953, the Chinese administration has been regularly issuing "plans" on a five-year basis, shaping and moulding the country's economic policies and landscape through the regular plenums of the party's Central Committee – its highest-ranking decision-making organ. The party's senior leaders play a critical role in spearheading and overseeing the devising and construction of principles of development – directly and unambiguously setting growth targets, reforms, and policy targets for economic development.[55] Five-year plans enable the country to prioritise and cut through the silos in decision-making: rather than getting bogged down in endless, futile discussions concerning what ought to be done, Chinese leaders engage in determinate and discrete decision-making – once the decision is made, the emphasis and focus of the bureaucracy shifts to expedient implementation of the consensus, as opposed to back-and-forth quibbling.

China's centralised planning is an anomaly amongst socialist economies – in that it readily incorporates elements of capitalistic economics and mercantilism, whilst ensuring that the state retains a firm grip over the institutional order and forces underpinning the economy. To dichotomously label China as either "socialist" or "capitalist" hence does no justice to the country – the government operates as a state-driven, socialist economy with capitalistic influences, where the degree of marketisation depends heavily upon the context and objectives by which the state's planning processes are driven. The involvement of skilled

[54] https://www.chinausfocus.com/society-culture/what-can-we-learn-from-chinas-long-term-national-plans
[55] https://www.economist.com/the-economist-explains/2021/03/04/what-is-chinas-five-year-plan

technocrats and experienced bureaucrats in the planning process ensures that the visions developed are not undermined by ideological overreach or untenable, dogmatic thinking. Such planning [56] also renders China comparatively more coordinatively efficient and responsive from a macroscopic point-of-view, whether it be in grappling with emerging crises and threats to the country's economic growth (e.g. the rising wages and dangers of inflation in the early 2000s; the slowing growth after the Tiananmen Square Incident), or in directing the country's substantial population in herculean economic endeavours.

The presence of a heavy-handed state, steering and spearheading institutions of change and reform, has been pivotal in ensuring that Chinese planning is both continued and contiguous. Now, some critics have rejoindered against the above, noting that Chinese leaders remain susceptible to short-termist incentives – e.g. when it comes to the country's opting to deprioritise environmental protection in exchange for economic growth, or the state's inability to curtail spontaneous eruption of nationalistic sentiments that have threatened to derail its foreign policy. [57] Such criticisms are nevertheless misguided – the claim that China engages in long-term planning (somewhat successfully) is not akin to the postulation that China does not engage in *any* short-term correctional or adaptive policymaking. Nor is it to say that Chinese leaders are flawless, meticulous executors that could never err. The bar for determining whether long-term planning in fact succeeds, ought not to be infeasibly demanding.

A quick comment here on the question of freedom of speech. Certain viewpoints posit that China – as a country – practises substantial censorship, and that such censorship poses a fundamental threat to the country's ability to thrive as a creative, open, and amenable economy in attracting foreign talents. Additionally,

[56] https://multimedia.scmp.com/infographics/news/china/article/3085903/china-five-year-plans/index.html
[57] https://thediplomat.com/2019/03/chinas-reputation-for-long-range-planning-is-wildly-exaggerated/

the room for public dissent and criticisms of the government is also vastly constricted; critics of regime are occasionally prosecuted and imprisoned for their alleged sowing of "civil unrest".

Much of such critique has some grain of truth to it – speech is indeed curtailed and regulated, specifically across public spaces (e.g. online forums, streets, government billboards and communications, mass media), where official censors often police and eliminate discourses deemed to be at odds with the objectives of "national stability" and "harmony". Censorship – both official and unofficial (enacted through chilling effect and self-censorship) – is indeed a ubiquitous phenomenon in China, especially as compared with other liberal democratic states in Europe and North America.

It is nevertheless imperative that we consider the question of censorship in light of the wider contextual and country-specific considerations undergirding the administration's tight grip over public discourse (private discourse, on the other hand, is neither inhibited nor curbed through official regulations). For countries with population sizes and geographical spreads as vast and substantial as China's, the perils of fake news and misinformation cannot be overstated. This adage particularly holds for China, where hyper-nationalistic, jingoistic, and populist discourses – coupled with an absolutely unfettered discursive/media space – could well induce highly undesirable policies from the government, posing substantial volatility and uncertainty for not only the country's 1.4-bn-strong population, but also its surrounding neighbours.

Two further comments to note here. Firstly, it is not the case that freedom of speech is not valuable or valued in China – but that speech is only judged to be valuable and worthy of platforming in public to the extent that it contributes towards public utility, projects, and community-building. This was a core tenet

espoused under the "Scientific Development" worldview devised and advanced under President Hu Jintao and Premier Wen Jiabao.

Secondly, dissent and criticism of the state are – apparently, per above – constricted. Yet this does not render it thereby impossible to criticise governmental policies, especially if decoupled from a fundamentalist and structural rebuking of the governing authority and legitimacy of the Communist Party of China . Leaders, administrators, politicians can be criticised, but such criticisms must necessarily invoke imagery, symbolism, and discourses that are accepted and deemed as publicly acceptable by the party. As noted by Kevin O'Brien and Li Lianjiang, "rightful resistance"[58] – a form of dissenting politics rooted in critiquing local and municipal officials whilst co-opting and adhering to the lines of the central authorities, has been an effective model of opposition embraced by civilians and Chinese civil society, which has thrived despite the constraints and restrictions upon speech and political organisation at large. Hence it is not the case that there exists no freedom of speech in China – as with all freedoms in all jurisdictions, there are limits to such freedoms. In China, the bar for restrictions is certainly lower as compared with elsewhere; yet whether this thereby renders such restrictions illegitimate, should not be a question resolved and settled through ideologically doctrinaire presuppositions and normatively laden judgments. The jury is still out on this one.

3.2.6 Low – albeit (now) steadily increasing – dependency ratio

The Chinese government has – historically, since the 1980s – sought to reduce the country's dependency ratio, which denotes the ratio of individuals who are either too young or too old to work, to those of working age. This was achieved largely through the One Child Policy, which by and large curbed population

[58] https://www.jstor.org/stable/25053988

growth rates and significantly constrained the pace at which the Chinese population expanded; administrators deemed this necessary as a means of uplifting average quality of life and preventing infrastructural overload. With dwindling numbers of new-borns, China's dependency ratio hence reached a historic low between 2005 and 2017, dropping to levels below 40%. The concentration and high proportion of working-age adults in the country have been credited as features that have rendered China economically competitive and lucrative for foreign investors and firms, looking to set up shop in the country.

China's dependency ratio has nevertheless steadily increased since 2017, as a growing problem of old-age dependency emerges, induced by improvements in average lifespan and the demographic 'deficit' amongst working-age adults. How China copes with its demographic challenges; whether the declining birth rates will prove to be a catalyst for China's transition into an advanced, high-income economy, or a setback to its labour productivity, remains to be seen. With that said, the increasing emphasis placed upon stimulating consumption and developing a tenable inner circulation (内循環)[59] – a natural process and stage undergone by all nations that have successfully lifted a vast majority of their population from extremely low incomes to mid-incomes could well be a tenable path forward for China – for it would render the economy less dependent upon production or exports, and increasingly driven by consumption that is more easily and expediently recycled through the circular flow of liquidity in the economy.

3.3 China's Rise as Revival?

To conclude this section, a question must necessarily be asked: should the world view China's ascent as a "rise", or should its ascent instead be viewed through

[59] https://wealthmanagement.bnpparibas/asia/en/expert-voices/hk-china-stock-market-aug-2020.html

the lenses of a "revival", as argued by those who posit that the global community must couple the world's reading of China's current trajectory with an appreciation of its historical developments in the past? China's economy was estimated to be the largest in the world in the period spanning the 15th century through to the early 19th century.[60] China had remained a leading cradle of commerce, technological innovation, and culture, throughout a vast majority of the past two millennia. It was not until the final decades of the 19th century that China was overtaken by the United States.

Hence it is understandable that some would portray China's recent decades of economic growth as a 'revival' or 'restoration'. This report shall withhold normative judgment on the matter – though it is indeed noteworthy that such thinking has become increasingly prominent amongst Chinese nationals and leaders, and is likely to play a pivotal role in steering how the Chinese public views and reacts to the world at large. Whether such exuberant sentiments evolve into a virulent form of revanchism – or a constructive force for China's peaceful co-existence, is a question over which all must mull and ponder.

[60] https://www.newgeography.com/content/005050-500-years-gdp-a-tale-two-countries#:~:text=1500%3A%20In%201500%2C%20China%20was,GDP's%20of%20approximately%20%24100%20billion.

3 The Present – on China's Actual Strengths, Weaknesses, Opportunities, and Challenges

Understanding China today is neither a mean task, nor one that can be accomplished within tens of pages. The following seeks not to be an exhaustive survey of China's current state of affairs, but instead only a cursory elucidation – of its strengths, weakness, opportunities, and challenges.

The upshot of the following should be clear – China is indubitably an ascendant major power that the world should reckon with seriously, yet overhyping its capacities and ambitions in taking over the world and superseding existing powers, would neither be in the interest of genuinely accurate analysis, nor be in alignment with the interests of parties who would benefit from engaging, liaising, and organically negotiating with China.

4.1 Economics

The Chinese economy is the largest economy in the world by GDP (purchasing power parity, PPP) in 2021, and the 2nd largest in nominal GDP terms. Yet its GDP per capita remains modest – 56th in nominal terms, and 70th in PPP terms. With a population of over 1.4 bn, the state's economy remains dominated by state-owned and mixed-ownership enterprises, with the former occupying over 60% of China's market capital in 2019, though generating only 40% of the national GDP.[61] The average Chinese income level in 2020 – as measured by GDP (in PPP terms) – was approximately $17,300USD. This is equivalent to that of the US in 1984.[62]

[61] https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD
[62] https://www.imf.org/en/Publications/WEO/weo-database/2021/April/weo-report?

The Chinese workforce is predominantly concentrated in the service sector, with 44% of its labour force working in the services industry. 29% of the workforce works in industry, whilst 27% works in agriculture. The country has largely transitioned out of a primary sector-driven economic model, into one propelled predominantly by a mixture of trade and high-end services in urban areas, and heavy industry in rural areas.[63] State-owned enterprises play a critical role in not only boosting economic productivity, but also to create jobs, redistribute incomes, and spread economic activities throughout the country – including, of course, to areas where firms in the private market lack inherent incentives to serve or set up business.

4.1.1 Strengths and Opportunities

There are several distinctive strengths undergirding the Chinese economy, that have enabled it to grow at very high rates over the past two decades – and continue to do so, albeit at a reduced and slowing pace, as of 2021. As sources of opportunities and openings for the country's future development, these strengths must be taken seriously – they include:

4.1.1.1 *Substantial and objective-oriented public spending*

The Chinese government allocates a substantial volume of its budget to targeted public spending. The ratio of government expenditure to GDP has increased between 2014 and 2021, rising from 29.0% seven years ago to an estimated 35.58% today.[64] Whilst this could in part be attributed to the slowing GDP growth rates and the stickiness of state budgets, it should also be recognised that the Chinese state remains relatively proactive in its fiscal and spending policies, with

[63] https://data.worldbank.org/indicator/SL.SRV.EMPL.ZS?locations=CN
[64] https://www.statista.com/statistics/236299/public-spending-ratio-in-china/

a particular emphasis placed upon securing objectives such as poverty relief and inequality amelioration.

With respect to the former, the Chinese state spent 384 bn yuan ($57.7 bn USD in 2017 terms) between 2016-2019 to alleviate poverty; in late 2020, President Xi Jinping declared that between 2013 and 2020, nearly 100 million Chinese had been lifted out of poverty.[65] Per official state statistics, the per capita disposable income of the rural poor increased from 6,079 yuan ($988USD in 2013 terms) in 2013 to 12,588 yuan ($1,806USD in 2020 terms) in 2020, up by 11.6% per annum.[66]

One may ask – how does poverty relief exemplify economic strength? The answer is threefold – the first is that if economic strength is to be taken as tracking more than solely the gross GDP and net growth of a state, then the amelioration of inequality should and must count as a significant indicator in the appraisal of economic wherewithal and strength; the second is that through uplifting millions from poverty, the Chinese state in turn embarks upon a path towards a genuinely middle-class society – a society where, nominally, no one lives under an absolute poverty line; finally, and from the second point here, the elimination of poverty would be instrumentally important in reducing the burdens on China's social welfare system, as well as facilitate the sustaining of a vibrant middle class, even in fourth- or fifth-tier cities and the countryside.

More fundamentally, China's successful campaign against poverty highlights that its public spending is hyper-efficiently targeted and aimed at providing genuine solutions to pressing problems. There may well be setbacks, but the concentration

[65] https://www.scmp.com/economy/china-economy/article/3112554/chinas-xi-jinping-declares-victory-poverty-alleviation-warns
[66] http://www.xinhuanet.com/english/2021-04/06/c_139860414.htm

and focussing of resources instrumentally enables China to withstand economic contingencies and short-term market shocks. To put things into perspective (and to ground the above), in 2020, China spent 13.2% of its expenditure/budget on social welfare (e.g. transfer payments, social security, support for the poor, sick, unemployed, and pensioners etc.)[67] – by no means a figure that stands out as compared with other states. Yet what sets China from other capitalist economies, is its heavy emphasis upon government consumption of goods and services – over the 2010s, 70% to 80% of the annual budget was allocated to purchasing goods and services.[68]

4.1.1.2 *Embeddedness within global supply chains*

China has also risen to become the most important component in most global supply chains. China remains the top sourcing location amongst Western producers, with 77% and 80% of US-based and Europe-based companies listing China as one of their top-three sourcing countries in 2021. Whilst this was indeed a decline from the 96% and 100% in 2019[69], it should be noted that such a decline stemmed less necessarily from fundamental changes to the Chinese economic infrastructure, and more from a mixture of the pandemic and the geopolitical flare-ups that have taken the world over the past two years.

A more nuanced thesis is this: whilst China's share in backward Global Value Chain (GVC) linkages (e.g. the share of commodity and primary resource supplied to firms abroad) has indeed declined over recent years, especially between 2005 and 2015, its forward GVC linkages (e.g. the share of processing- and production-related value creation for firms abroad) have risen considerably

[67] https://www.statista.com/statistics/455521/china-public-expenditure-on-social-security-and-employment/; https://www.statista.com/statistics/455466/china-public-expenditure/
[68] http://www.cre.org.cn/list2/hg/15571.html
[69] https://www.scmp.com/economy/china-economy/article/3131785/global-supply-chain-continues-shift-away-china-it-remains-top

during the same period. This suggests that China is shifting increasingly away from merely providing merchants and firms with raw materials and primary sector labour, towards higher value-added activities that enhance the country's ability to ascend the value chain ladder.[70]

In particular, China remains heavily integrated in value chains in the Asia-Pacific. As compared with other regions, the Asia-Pacific has grown to be an increasingly important – indeed, the primary – trade and economic partner for China. The rise of regional trade agreements between China and its Asian-Pacific counterparts has been instrumental in embedding China within the supply chains of many leading economies in the region, thereby consolidating its status as a leading supplier and production economy in the world.

4.1.1.3 *Mutually beneficial economic presence in developing countries – e.g. the Belt and Road Initiative, and the Asian Infrastructure Investment Bank*

China maintains a significant and largely beneficial economic presence in developing countries – through schemes and institutions ranging from the Belt and Road Initiative (BRI) to the Asian Infrastructure Investment Bank (AIIB). Its extensive and dynamic collaboration and connections with developing countries pave a critical path for the country's economic and military hard power abroad – with the former especially prominent. These countries in turn supply China with critical goods, human capital, tourism destinations, sites for Chinese investment, markets for Chinese goods and services, and select-sector investment.

To exemplify this, consider the specific facts that China had overtaken the United States to become the world's largest FDI investor into Africa in 2013, and

[70] https://www.eastasiaforum.org/2021/05/27/chinese-supply-chains-prove-resilient-to-global-shocks-and-pressure/

supplied over $2.7 bn in 2019 to the continent of 1.3 bn people (with a median age of 19.7, as of 2020). [71] Or alternatively, recognise the fact that Chinese investment has continuously expanded in Southeast Asia, with China emerging as the largest trade partner to ASEAN by 2020[72] – China is now the largest import destination (22%) amongst ASEAN states.

China's international goodwill affords it access to both scarce and general resources in abundance, but also – more importantly, perhaps, capital and consumer markets that had been largely left unsaturated during the Cold War, including Southeast Asia and Africa. As shall be later discussed, especially in relation to Central Asia and Pakistan, China has also leveraged its abilities to deliver affordable infrastructure and accessible loans, as a means of generating and preserving political goodwill and capital amongst countries that collectively house a vast majority of the world's population.

It is nevertheless easy to over-estimate China's prowess and influence amongst developing economies. Doing so would risk ignoring the potential setbacks that Chinese investment has faced in recent years: from ensuring that its loans are enforceable and enforced, to stipulating that particular aid and investment be directed towards particular causes, Chinese investors have been confronted by significant practical hurdles that render talk of ostensible debt diplomacy both factually incorrect and interpretively erroneous.

4.1.2 Weaknesses and Challenges

Yet the prognosis is by no means sunshine and rainbows for the country. The Chinese economy is afflicted by a series of structural weaknesses and obstacles

[71] https://blogs.lse.ac.uk/africaatlse/2021/04/02/why-substantial-chinese-fdi-is-flowing-into-africa-foreign-direct-investment/
[72] https://www.globaltimes.cn/page/202101/1212785.shtml

that, if unaddressed, could pose challenges to the country's growth and developmental trajectory. The following comprises a tentative survey of some of the eminent challenges that have and are likely to emerge.

4.1.2.1 *Slowing economic and productivity growth*

China's economic growth had been steadily slowing – from 14.2% per year in 2007 to 6.6% per year in 2018 (see Fig. 4)[73]. The Chinese government had openly acknowledged the existence of slowing growth rates, noting that the declining growth numbers were a "new normal" – given the country's transition into a higher-income economy, though added that China must therefore shift towards a new growth model that depended less on fixed investment and exporting, and more on stimulating internal consumption and demand and maintaining what was dubbed a "double circulation" in official state parlance.[74]

[73] https://www.everycrsreport.com/reports/RL33534.html
[74] https://www.scmp.com/economy/china-economy/article/3085553/china-gdp-beijing-abandons-economic-growth-target-2020-work; https://www.reuters.com/article/us-china-parliament-gdp-idUSKBN2AX03L

Fig. 4. – China's quarterly GDP growth rates from 1992 to 2020.[75]

China's declining growth rates could be attributed to a multitude of factors – impossible to exhaustively illustrate and capture here, though worth outlining, nevertheless. Firstly, demographic data reveal the fact that China's working-age population had been steadily shrinking – the latest official census (results published in 2021) revealed that as compared with 2010, China's working-age population had declined by 40 million, though remained strong at 880 million. The country's One Child (later reformulated as Two Child) Policy had steered the country's demographic approach for the better part of the past four decades, with the government only scrapping the policy altogether in May 2021.[76]

To compensate for the shrinking workforce, China could – in theory – resort to boosting its overall productivity, through a combination of technological

[75] Data taken from http://www.stats.gov.cn/english/; graph taken from https://www.statista.com/chart/17747/china-quarterly-gdp-growth/
[76] https://www.globaltimes.cn/page/202105/1225003.shtml

innovation and capital consolidation per each member of the workforce. Yet such efforts could well prove to be Herculean. Japan had struggled to improve its productivity post-1997, with productivity growth slumping to less than 1% per year; the vast majority of these gains came from the manufacturing sector, as opposed to the service sector. Similarly, China's productivity growth rates had slowed to an average of 5.7% per year from 2014 to 2018, from a high of 15.5% per year between 1995 and 2013.[77] The declining productivity expansion rates can in turn be traced to a multitude of factors – including the country's track record of reticence when it came to foreign migration (with that said, the number of foreign migrants has indeed increased, from ~500,000 in 2000, to ~978,000 in 2018); productivity stagnation in industries in which the country held a comparative advantage, and the difficulty and dearth of innovation in a highly regulated private sector.

On a more positive note, there indeed exist viable paths out for China. One way would require it to aggressively and successfully boost its balance of payments – e.g. its international exports and sales. This would require the country to explore and establish actively new trade routes and partners, alongside deepening its exports to existing partners. Through increasing the competitiveness and tenability of its exports, China could pivot from an investment-driven growth trajectory to an export- and consumption-led developmental path – though this approach could well be hamstrung by another key pitfall that had plagued China for decades: the rising costs of production in China have rendered its exports less appealing as compared with other states in the region, including ASEAN member states; as well as the nascent manufacturing sectors of other BRICS (Brazil, Russia, India, China, and South Africa) states.[78]

[77] https://hbr.org/2019/09/can-china-avoid-a-growth-crisis
[78] https://www.scmp.com/economy/china-economy/article/3131785/global-supply-chain-continues-shift-away-china-it-remains-top

An alternative pathway rests with an immediate and swift increase to the country's productivity. This could be achieved through a range of policies – some of which have already been adopted by the current government: from attracting overseas talents (including Chinese nationals who had emigrated abroad) to investing more in quality higher education, from liberalising and opening up private sectoral innovation to spurring competition within state-owned enterprises, there exists a plurality of ways through which China can and should push for productivity gains. To transition from an investment-led growth approach to a productivity-centered approach is by no means easy, but is arguably China's best bet when it comes to regaining its economic momentum.

In defense of the Chinese approach – and as an important caveat that is oft-overlooked, there exist apparent welfare benefits and gains to be derived by the public at large from China's current course of action. The Chinese government views its growth-curbing actions (e.g. crackdown on excessive concentration of power in hands of a few Big Tech firms, as well as the recent calls for increased redistributive taxation by Beijing[79]) as warranted and worthy, on grounds that in doing so, it would be redistributing income and wealth to those who are in most need of the wealth. Whilst increasing the GDP per capita had been an issue priority throughout the past four decades, President Xi Jinping views equalization as an equally – if not more – important prerogative. The governmental approach to macroeconomics has hence undergone substantial transformations under the present government – into one with a dualistic focus, on both the employment and directing of resources towards seemingly economically unprofitable collective goods (e.g. climate-friendly energy and sustainable development) and

[79] https://www.scmp.com/comment/opinion/article/3144390/chinas-crackdown-tech-and-tutoring-really-directed-inequality

meeting the needs and demands of the underprivileged working and "sandwich" classes.[80]

4.1.2.2 *Inefficient, bureaucratic, and rent-seeking behaviours in the state sector*

As individuals save less and consume more (upon China reaching an upper-middle income country status), it is imperative for China to diversify in its sources of growth, to shift from investment-driven growth to innovation-driven growth. Yet this in turn behoves the country to possess a healthy, robust, and organic "economy of ideas".

The bank-dominated financial system currently favours lending to predominantly state enterprises and corporations – which are significantly less productive and innovative as compared with their private counterpart. The debt-to-GDP ratio in China has been rising substantially since the global financial crisis – the debt being taken on, in other words, is not transduced into a satisfactory level of productivity; to the extent that such debts are used to finance state-owned enterprises, these are often 'sunset' enterprises with substantial internal weaknesses and impediments that stifle their resuscitation of productivity.

China has poured in an impressive volume of capital (as aforementioned) into innovation and research and development. Yet the outputs – with respect to the country's public sector in particular – remain lackluster. The state's recent attempts to target particular industries, via the Made in China 2025 industrial policy, have sought to rejuvenate and invigorate particular sectors within the national economy – yet whether this forceful campaign will in fact succeed will

[80] https://www.scmp.com/comment/opinion/article/3143186/what-west-needs-know-about-where-modern-china-headed

depend heavily upon whether China can sufficiently rehabilitate and purge these companies free of rent-seeking behaviours and capture by vested interests. That much remains to be seen.[81]

Why are state-owned enterprises (SOEs) so inefficient in China today? For a short period under Deng, the liberalisation of labour movement, the installation of internal performance indicators and external competition (through the establishment of a private sector), and the importing of technologies from advanced industrial democracies, went a long way in improving the efficiency of SOEs. Yet most of these gains have been stunted – even rolled back – over recent decades, as SOEs become over-leveraged and structurally packed to the brim with political clutter and abused, unproductive loans (i.e. loans preferentially offered to these companies on the grounds of their political importance). The over-regulation of select sectors has also driven out competitive private enterprises, leaving SOE-led industries uncompetitive and unproductive.

A rejoinder to the above logic may, again, be one that draws upon the doctrines of socialism and egalitarianism enshrined in the Communist Party of China' official ideology – whilst economic growth and expansion of the raw size of the pie may be *somewhat important*, China is, at its core, relatively uninterested in playing the numbers' game for the sake of it. A dual-sector (service and manufacturing) economy with full employment and equal income distribution, is by all means seen as preferable to a GDP-chasing/maximising service economy that leaves out far more than it serves. What is clear is that China seems less willing to put all its faith in neoliberal ideas, such as trickle-down economics.

[81] https://www.afr.com/world/asia/these-are-the-three-big-challenges-for-china-s-economy-20201213-p56n0h

Yet in response to this, note that even public-oriented services and infrastructure in China have come under heightening risks of being captured by rent seekers and providers. It is thus equally imperative that issues such as corruption, inefficiencies, embezzlements, and lack of transparency over expenditure of funds and capital, be addressed promptly and expeditiously, so as to ensure a smoother transition towards a more equal and fair society within the country. What increases GDP may not increase wellbeing – though there exist problematic structures that inhibit growth across both dimensions. These structures are to the detriment of both growth and development alike.

4.1.2.3 *Skyrocketing corporate debt*

A related problem is China's corporate debt problem. Does China have a debt crisis? The answer would be firmly to the negative when it comes to household debt – a healthy 60% of GDP comparable to other economies, driven by, naturally, the rise of a more affluent and risk-prone middle class. The government debt is at only roughly 50% of that of the United States. China does not have a government or household/individual debt problem.

The real issue rests with the country's corporate debt – standing at 150% of its GDP, China's corporate debt-to-GDP ratio is over twice of that of the United States, and 50% larger than that of Japan and Korea.[82] With the recent wave of corporate defaults, speculation and worries have arisen over the extent to which the country's corporations are capable of repaying debts and discharging loans. The worry is amplified by the fact that with the increasing liberalisation of capital and investor markets, the primary holders of corporate debt are no longer merely

[82] https://www.imf.org/external/datamapper/NFC_LS@GDD/SWE

state-controlled banks or the Chinese state itself, but also private consumers and investors actively engaged in the corporate bond market.[83]

Whilst the risk to the international financial system is moderate – albeit certainly present, the corporate debt crisis would be to the detriment of, first and foremost, China itself. Should SOEs default *en masse*, not only could this pose a fundamental threat to the country's banks and financial institutions, but it would also vastly undermine the country's credibility and credit standing in relation to sovereign debt, and other forms of financial commitments. Such interconnectivity uniquely stems from the disproportionate concentration of SOEs and state-affiliated companies as debtors. If China is to continually fund its economic ventures and international commitments abroad, it must ensure that it steers clear of the debt trap. Boosting productivity and efficiency, lowering debt uptake, streamlining and improving loan allocations process – these are pivotal steps that China must and should take in averting what could otherwise be the largest economic crisis in the country's contemporary history.

All in all, the Chinese economy offers substantial opportunities and benefits to both domestic citizens and international partners to the country. Yet the risks outlined above cannot be overstated: they must be taken seriously by policymakers and the private sector alike.

4.1.2.4 *Trade wars and tensions with international partners*

China's frayed relations with international trade and economic partners – particularly in the West – could also pose a substantial obstacle to the country's continued growth and successes. For one, the United States-China trade war,

[83] https://www.aljazeera.com/economy/2020/11/13/china-corporate-debt-defaults-trigger-concerns-of-broader-crisis

initiated by U.S. President Donald Trump in 2018, saw the United States (then China's largest trade partner) impose substantial tariffs and trade barriers on China – with the alleged aims of compelling the country to adjust its "unfair trade practices" and intellectual property theft.[84]

Whilst Trump is no longer in power, his legacy endures, as Joe Biden, for domestic political reasons, has continued with the same. China thus currently faces a substantial wave of growing backlash and trade retaliation from Western member-states, especially the United States. How China navigates its fraught ties with states upon which it depends significantly for raw resources, commodities, and consumer markets, will be essential in determining the future economic trajectory of the country.

4.2 Domestic and Global Politics

This paper has previously discussed China's continued growth in its domestic and global political strength; it has also examined the successes and limitations of its political reforms since the 1980s. The following section is primarily interested in questions of strengths and weaknesses of the political government as they stand *contemporarily* – i.e. with a heightened emphasis upon the past decade or so of its political transitions. This section should hence be read as mapping the culmination of the trajectory in the country's political developments, and an appraisal of the "product" of the past four decades of liberalisation, modernisation, and governance reforms.

[84] https://www.nytimes.com/2018/07/05/business/china-us-trade-war-trump-tariffs.html

4.2.1 Strengths and Opportunities

What makes the current Chinese governance system *work*? There are primarily three areas that are worth exploring – in addition to what has been covered. They are: China's recent, sustained crackdown on corruption, the substantial popularity of the Communist Party of China , and the transformations to the judiciary and legal system undertaken over recent years.

4.2.1.1 *Anti-corruption Efforts and Crackdowns*

Since his rise to power, Xi Jinping has undertaken an extensive crackdown on corruption across the country. His tenure has been marked by his emphasis upon cracking down on "tigers and flies" – from high-level officials to local civil servants, corruption has been at the forefront of governance reforms over the past decade. Xi's anti-corruption campaigns had resulted in over 100,000 individuals being investigated and indicted for corruption – symbolic of the party's leadership's resolve to tackle systemic challenges of malfeasance and malign rent-seeking that had long plagued the country.

Whilst critics have dismissed the campaign as driven plausibly by ulterior political motives, many others have praised the campaign for serving as a critical cornerstone of a wider project of systemic political reform that had sought to restore the CPC's public mandate and perceptual legitimacy. Other voices have noted that the campaign against corruption was pivotal in streamlining governance and spurring party cadres to focus on delivering quality governance – as opposed to dabbling in dangerous rent-seeking.[85] Scholar Cheng Li[86] noted that the anti-corruption efforts had restored substantial laundered or siphoned-off

[85] https://en.wikipedia.org/wiki/Anti-corruption_campaign_under_Xi_Jinping#cite_note-duoweiyl-46
[86] http://www.chinausfocus.com/political-social-development/debunking-misconceptions-about-xi-jinpings-anti-corruption-campaign/

monetary gains into the hands of the state, which facilitated the country's re-orientation towards boosting its long-term productivity, a process that had been stunted by the short-termist behaviours and calculus of corrupt officials. The campaign has also had the support of the significant majority of Chinese citizens, especially low-income groups who are vastly disillusioned at the exploitative practices of the officials in local and regional administrations.

What is perhaps of particular noteworthiness here, was that the anti-corruption crackdown has also prosecuted and held to account party leaders at the highest levels – including former Politburo Standing Committee leaders Zhou Yongkang, former Central Military Commission Vice-Chairmen Xu Caihou and Guo Boxiong. Other senior officials, such as Su Rong and Ling Jihua, were dismissed and prosecuted in high-profile trials that served to highlight Xi's determination in enforcing party discipline.

These moves have had significant positive impacts. From assuaging public worries over an intransigent, arbitrary government propelled by narrow self-interests, to enhancing governmental efficiency and ensuring that centralised decisions were effectively carried out at the local or provincial level, Xi's purge of insubordinate, corrupt officials has brought about welcome changes to China's gargantuan political machine.

Beyond governance and political optics, through tackling graft in SOEs and combating the development of vested interest networks, anti-corruption measures have enabled the government to pursue further economic liberalisation and reforms that precluded the development of inefficient monopolies. Whether such reforms have indeed occurred, however, remains a separate matter.

4.2.1.2 *Widespread popularity and public buy-in*

The Chinese government enjoys a very high level of buy-in amongst its denizens. In 2014, Pew Global Research found that 92% of the country's respondents had confidence in the country's leader, Xi Jinping. Multinational polls and surveys regularly find a "high level of regime support"[87] in China, even when the possible problems of preference falsification or underreporting of dissent is factored into consideration. Much of this can indubitably be attributed towards the government's successful track record at eliminating poverty and reducing relative deprivation – a distinct political objective and priority for senior party leaders.

Fundamentally, the percentage of individuals who remain optimistic over the Chinese government's performance and ability to deliver upon critical social goods remains exuberantly high in the country. In 2013, over 80% of respondents felt that children – at that time – would be financially better-off than their parents. The figure rose to nearly 90% in 2015. To put things in perspective, only slightly over 30% of American respondents said the same across the two years. A vast majority of Chinese citizens remain fundamentally impressed by and committed to the ideals and operating principles undergirding the contemporary Chinese state, which has seen an explosion in access to consumer goods, installation of critical infrastructure, under the continued cultivation of a national ethos that encourages hard work and collective interests. The quality of life for Chinese citizens has materially improved over the past decades, and it is no wonder that Chinese denizens remain overwhelmingly in favour of their government's continuation.

[87] https://www.marketwatch.com/story/these-numbers-show-just-how-much-the-lives-of-everyday-chinese-have-improved-in-recent-decades-2019-10-02

China is known for its willingness to engage in pragmatic and open reforms as a means of improving its governance – this is also why Chinese administrators often trial/"test-run" or pilot governance policies on a small scale, locally, prior to rolling them out on a larger scale. An example of this could be found in the Special Economic Zones (SEZs)[88] - zones with laissez-faire and liberated capital controls, introduced in the 1980s, as a pioneering programme under China's opening-up reforms. These zones have played a pivotal role in elucidating how a socialist market – like China's – could rapidly acclimatise and render itself amenable to not only international investors, but also domestic capitalists and industrialists seeking to raise funds and cultivate competitive businesses. The SEZs were piloted in Southern China, and have since paved the way for the introduction of "economic zones" in regions ranging from Shanghai to Hainan.

Sceptics have posited that these figures are merely the results of China's "successful brainwashing" – yet this view does not, rather unfairly, take sufficiently seriously the agency and autonomy of the Chinese people; nor does it sit well with the fact that the Chinese middle class has become exponentially more educated and informed over the past decades – without a corresponding drop in approval for their government. Indeed, in the aftermath of the government's largely successful and swift tackling of the COVID-19 pandemic, support for the government has only increased – as opposed to declined (though further polls must be carried out to verify incidental reports that strongly suggest this thesis).[89]

Yet considering China's substantial population size and the challenges uniquely associated with governing a country of its size and terrain, the enduring and warm

[88] https://www.tandfonline.com/doi/full/10.1080/21681376.2018.1430612
[89] https://www.npr.org/2020/09/23/913650298/as-u-s-views-of-china-grow-more-negative-chinese-support-for-their-government-ri

reception towards its ruling government cannot be overstated. Such popularity and mass support are indeed a key hallmark of successful governance – at least on the perceptual level – under China's central leadership.

4.2.1.3 *Continued and sustained legal reforms that are pragmatically outcome-driven*

A third and relatively under-discussed strength of the Chinese government is its emphasis upon outcome-driven reforms to its judiciary and rule of law that render its governance compatible with both demands of the law and of economic realities.

Major progress has been made in two particular spheres – firstly, in rendering the country's jurisdiction more accessible and open to foreign businesses and investors, and secondly, in China's stepping up to become a leading mediation and legal adjudication hub for international disputes between and with countries involved with the Belt and Road Initiative. On the latter, Chinese courts resolved approximately 15,000 foreign-related civil disputes in 2013-2017, with BRI-related cases being a major component. Courts have adopted the equal protection of litigants as a guiding principle, notwithstanding their countries of origins.[90]

With respect to the former, the Chinese government introduced the Foreign Investment Law in 2020, which served to open up substantially more nascent opportunities for foreign investors. Judges handling foreign-related disputes have been trained and legally mandated to render their adjudication and processing of court cases more accountable, fair, and accessible to foreign residents in China. For one, foreign litigants are assigned to English-speaking judges who could engage with and explain the body of Chinese law to international expatriates and

[90] https://english.dotdotnews.com/a/202106/16/AP60c9831ce4b0c070ccc105a6.html

firms operating within China. In 2019 alone, China's arbitration commissions presided over 487,000 cases.[91]

Per Grenville Cross[92], there exists an increasing emphasis upon the protection and upholding of the rights and interests of locals, especially via closer attention being paid to the needs and difficulties encountered by grassroots citizens in suing dominant companies. An increasingly robust set of consumer laws and regulations concerning manufacturing, production, and distribution of goods, has offered consumers the safety net and means through which they can hold abusive vendors and suppliers accountable. These are all very much welcome changes to China's judiciary.

4.2.1.4 *Fostering of context-sensitive and -specific ties with developing countries through civil society, economic, political, and institutional exchanges*

A factor that is often neglected when it comes to China, is not only the extent to which it enjoys substantial popularity amongst developing countries – especially those who have been typically eschewed or locked out of international economic superstructures; it is also the fact that the country's foreign policy and diplomatic strategies are highly context-sensitive and adaptive.

During the pre-COVID "peacetime", countries ranging from Latin American military strongman states to Southeast Asian democracies welcomed Chinese economic supplement, investment, and aid – not just in pure economic terms, but also as an effective means for China to court political support and backing abroad. There is nothing inherently wrong with the deployment of economic resources as a means of courting favours – indeed, this is standard, established practice in

[91] https://english.dotdotnews.com/a/202106/16/AP60c9831ce4b0c070ccc105a6.html
[92] https://english.dotdotnews.com/a/202106/16/AP60c9831ce4b0c070ccc105a6.html

international economy. China simply does it in a manner that is more comprehensive and thorough than many in the Western Hemisphere, especially when it comes to expediency and urgency.

What is of particular noteworthiness here is China's nascent emphasis upon the delivery of critical medical resources – e.g. vaccines[93] and masks[94] – in response to the COVID-19 pandemic. The ongoing medical resource campaigns have succeeded as a means of winning over the hearts and minds of millions of denizens in Latin American and Southeast Asian states that had been largely excluded and feel alienated by the developed world. Such efforts are indeed working – China is now the provider of the majority of all vaccines administered in Latin America.

China's reception abroad is certainly mixed – it would be vacuous denying that; yet its reception in African, Latin American, and some (not all) Southeast Asian states has been predominantly positive. Despite recent backlash from Mediterranean and Eastern Europe states, China remains overwhelmingly popular to rapidly growing, emerging economies who are in need of imminent and timely medical and resource relief.[95] It is the dexterity and strategic savviness of the Chinese government that renders it by far a more mature and developed power than the USSR – to which inopportune and ill-fitting analogies have often been erroneously drawn. Yet China also needs to avoid the very pitfalls and flaws that the USSR has committed, as noted by political economist Chandran Nair.[96]

4.2.2 Weaknesses and Challenges

[93] https://foreignpolicy.com/2021/06/11/vaccine-diplomacy-boosts-china-in-latin-america/
[94] https://thediplomat.com/2020/03/chinas-mask-diplomacy/
[95] https://news.cgtn.com/news/2021-05-21/China-makes-new-pledges-to-help-developing-countries-defeat-COVID-19-10rWrYN7HGg/index.html
[96] https://www.chinadailyhk.com/article/224769#Chandran-Nair-tells-HK-youth:-Stay-and-build

Yet Chinese governance, obviously, is not bereft of weaknesses, challenges, and problems. Should these problems be left unaddressed, not only would they pose a fundamental obstacle to China's continued economic successes – they could also jeopardise the country's socio-political stability and sustainability on the whole.

4.2.2.1 *Absence of consistent, transparent succession norms and rules*

The Communist Party of China operates through an intricate combination of meritocratic appointment, technocratic selection, factionalist intrigue and bargaining, and cutthroat (internal) contentious politics within the party. To characterise the party's selection and succession norms as the product of despotic whims, would neither be accurate, nor helpful in the world's understanding the country's distinctive political norms and matrices. On the other hand, it would be equally erroneous to posit that the country's succession norms and rules need no further refinement or improvement. Till this date, the Party remains afflicted by the structural worry of a lack of stable, transparent succession norms undergirding its highest echelons of leadership.

To be very clear, the Chinese administration does have succession *norms* – the notion of succession planning was embodied and established by Deng Xiaoping as he revived China from the abyss of volatility and instability he inherited from the dying days of Mao Zedong's rule. As aforediscussed, succession in China has evolved to become progressively more merit-based and the product of balancing of competing interests and considerations, and less the product of factionalist horse-trading and anti-meritocratic politicking. All of that is fair and square, and it would be erroneous to ignore this.

Yet this fact alone does not imply that these norms are *stable*. The number of Standing Committee members, the *de jure* term limits on Presidency (the title is nominal only, for real power rests with the General Secretary, for which there has never been any term limit), and the powers and portfolios held by Standing Committee members have varied considerably throughout the tenures of Deng Xiaoping, Jiang Zemin, Hu Jintao, and Xi Jinping. Without delving into the merits and drawbacks of each and every leader's decisions with regards to the composition of the Standing Committee and Politburo, as well as the rules that were introduced under their tenure – one thing is clear: China lacks a succession pattern that can be transcribed and explicated clearly through codified rules.

Stability matters – especially when the government is seeking to root out abusive and corrupt practices amongst the elite. Stable rules – whether they be codified or informal yet enforced through binding, coercive mechanisms – are necessary in order for conflicts and dissent over "political" decisions (e.g. personnel appointment, removal, investigation, and dismissal) to be accepted with minimal backlash. Elsewise, the efforts of the anti-corruption campaign, whilst noble in intentions and theoretical scope, would be largely futile, as it descends into a series of factionalist struggles and vying for power.

Now, one may argue – somewhat plausibly – that the search for codifiability reflects itself a "Western bias" in the imagination and conceptualisation of how governance ought to operate. It is not a tradition that China has historically adopted, for there to be clear and concrete succession rules.

Yet this claim, setting aside the Orientalist assumptions concerning Chinese political culture and history (and the fallacious view that Chinese governance must necessarily be *different* from the West's, and is *therefore desirable*), is empirically erroneous. Throughout vast swathes of Chinese history, the ruling

Emperor passed on the rights over the dynasty – typified as the "Heaven's Mandate" – to their, often his, heir, who is often his son or nephew. Interruptions, exceptions obviously exist – yet they are by no means the rule. In other words, China has had a largely transparent succession rule (quasi-primogeniture) undergirding its rulers since the beginning of formal history.

In contrast, the Party defers to a basket of variables – ranging from compatibility with the respective factions, political acumen and experience, to age and credentials – in selecting its Leader. Chinese leaders are not appointed unilaterally by unitary figures; nor are they selected through arbitrary processes. Yet these selection criteria have not and are not codified in a manner that ensures that they will indeed be applied consistently. To the extent that they have, this has been largely because of the convergence of the self-interests of the involved selectorate and these tacitly enshrined and celebrated virtues.[97]

The lack of transparency and consistency over selection metrics also transpires at lower levels – whether it be at the Politburo/national, provincial/ministerial, or equivalent tiers of leadership. As aforementioned, the Chinese civil service is an extraordinarily competitive institution, with personnel decisions approved and vetted by multiple individuals overseeing the more junior posts. In practice, the overlapping chains of command have produced substantial tensions and conflicts between factions – e.g. the 'tiaos' and the 'kuais'. [98] To resolve such disagreements and disputes, it is imperative that China develops clearer, more concretely outlined, and enforceable criteria concerning personnel decisions – so as to preclude the low, albeit extant, possibility of unaccountable or incompetent party officials and leaders.

[97] https://www.youtube.com/watch?v=s0YjL9rZyR0
[98] https://press.princeton.edu/books/paperback/9780691036373/burying-mao

Doing so would also render the Chinese civil service more accessible and open to individuals who are seeking to enter government via a "revolving door" – whether it be from senior ranks in academia, business, technology, or other sectors; pathways into government certainly exist for talents in these fields, but are inevitably intertwined with political considerations that may not duly reflect the overarching interest of the country.

4.2.2.2 *Tarnished, ignominious international image amongst certain developed countries*

China has suffered setbacks to its reputation over recent years, on grounds that are ostensibly to do with the country's human rights record and handling of its internal affairs in regions or cities such as Xinjiang, Hong Kong, and Tibet. The country has also been panned for its alleged exporting of authoritarian values abroad. As one shall come to see in Chapter 6, much of these optics rest upon mistaken assumptions concerning China's ambitions, governance, and internal, domestic problems.

Yet the characterisation of China as a ruthless, anti-rights government bent on oppressing human rights has indeed taken root amongst certain international circles, in ways that are neither reflective of reality, nor particularly conducive towards improving the conditions of those who in fact reside in the country, nor, indeed, of measures needed for the genuine improvement of international relations. Setting all that aside, one thing is clear: China has an image problem[99] – amongst certain countries. There is a substantial and extensive Western media campaign being waged against China, with the overarching objective to portray states similar to China as inherently repressive, immoral, and evil. This campaign, in turn, has had a substantially negative impact on China's image.

[99] https://foreignpolicy.com/2021/04/06/china-image-problem-wolf-warrior-international/

Disfavourable views of China have reached unprecedented heights, with the percentage of individuals with no confidence in the Chinese leadership[100] to "do the right thing" surging by over 15% across countries such as the UK, Germany, Australia, the Netherlands, and Italy. Additionally and increasingly, China has struggled to assuage the worries and concerns of the publics of EU member states, where backlash from segments of their civil societies towards China is threatening to undermine the substantial goodwill and bilateral benefits that have flowed from the country's opening up to European firms and investors.

A more isolated and thus belligerent China is in no international actor's interest - it fuels anti-globalist, xenophobic tendencies within China, whilst bolstering the defensive nationalism that has steadily climbed over the past decade. Given China's global impact and standing, the fallout from the confrontations promulgated by such bellicosity is likely to affect many others in regions such as ASEAN and Africa. The bubbling sentiments could well become too vociferous for even Xi's strong-willed administration to contain – this, in turn, heralds dangerous times to come in China's relationship with the world. This paper shall revisit this later in Chapter 6.

4.2.2.3 *Terrorism, insurgency, and security risks posed by separatist movements*

China has persistently faced challenges from secessionist forces who have sought to undermine national and territorial integrity, through a combination of lone-wolf terrorist attacks and violent protests. Regions such as Xinjiang and Tibet have seen an escalation in frequency and intensity of altercations between

[100] https://www.pewresearch.org/global/2020/10/06/unfavorable-views-of-china-reach-historic-highs-in-many-countries/

minority secessionists and local denizens. In Xinjiang, for instance, East Turkistan Islamic Movement (ETIM)-backed terrorists and rebels have engaged in elaborate violence against civilians and local government representatives. The actions of a small minority of ethnic Uyghurs had induced substantial casualties upon both Uyghur and Han populations residing in Xinjiang alike. Some of the more severe and destructive attacks included the 1992 detonation of a bomb on a public bus in Urumqi by Uyghur separatists, and the attack on a hotel in Kashgar in the same year [101] ; more recently, lone-wolf attacks on civilians by knife-wielding assailants have renewed the state's interests in enforcing strict discipline and compliance with the law in Xinjiang.[102]

From 2014 onwards, the Chinese had adopted a series of counter-terrorism measures in Xinjiang, with the aim of rooting out local security risks and insubordination, and tackling the manifestations of extremist ideology amongst local citizens. Concerns have been raised internationally over the proportionality, scope, lack of transparency and accountability of the state response – with allegations ranging from the existence of gross human rights abuses to charges of ostensible "genocide". [103] As aptly noted by *The Economist*, the label of "genocide" should not be trivially and flippantly slapped onto the events unfolding in China (in the absence of further evidence and substantiation)[104]; charges as exaggerated and radical as these must be treated with extreme care – lest they be misapplied to contexts for which they are ill-fitting.

[101] https://books.google.com/books?id=Mij5aWJnAcQC&pg=PA227&lpg=PA227&dq=william+crotty+terrorism+in+china&source=bl&ots=lwvSKuUg7U&sig=UyBMB2z5n23HtoAa-BoQMPM6LhM&hl=en&sa=X&ei=dqJOT47-KIft0gG4jZm-Ag&ved=0CCEQ6AEwAA#v=onepage&q=william%20crotty%20terrorism%20in%20china&f=false
[102] https://www.jstor.org/stable/26548912
[103] https://www.bbc.com/news/world-asia-china-22278037
[104] https://www.economist.com/leaders/2021/02/13/genocide-is-the-wrong-word-for-the-horrors-of-xinjiang

With that said, there remains a reasonable possibility that human rights abuses – especially restrictions upon freedoms of speech, movement, and core civil liberties – have occurred in Xinjiang. Such possibility merits more thorough, non-partisan, and politically non-skewed investigation, as well as greater transparency from Beijing – as argued by investment banker Shan Weijian and economist Chandran Nair in their recent pieces for the *South China Morning Post*[105] [106]. For those who seek to understand China through relatively unfiltered and objective lenses (to the extent that is indeed possible), it is imperative that they get the grips with the context in which China has implemented the stern, draconian regime it has in Xinjiang. It is equally vital that individuals recognise that much of the existing debate concerning the Xinjiang is packed to the brim with information that lacks institutional verification and credibility. Indeed, the Islamic world itself has largely not supported these charges.[107]

4.3 Military

The previous sections have explored – in some detail – the quantitative and statistical aspects of China's rise as a military power. What has been less extensively discussed, however, constitutes the qualitative aspects of its military – especially in light of recent reforms – that render it a potent force in the world today. The following sections aim to track more contemporary, recent developments in the Chinese military, which would shed insight into the unique successes and obstacles currently confronting the military.

One comment that must be noted – from 2012 onwards, after Xi's ascent to power, he had mounted numerous military reforms that radically transformed the

[105] https://www.scmp.com/comment/opinion/article/3129325/xinjiang-what-west-doesnt-tell-you-about-chinas-war-terror
[106] https://www.scmp.com/week-asia/opinion/article/3135049/world-woke-western-posturing-and-global-white-privilege
[107] https://www.globaltimes.cn/page/202103/1219498.shtml

country's army, far more than his predecessors. Xi Jinping spearheads the Central Military Committee, and has openly committed to producing a "world-class force"[108] that is due to dominate the Asia-Pacific and "fight and win" wars on a global scale by the mid-point of this current century. Whether his vision would in fact succeed, would depend heavily upon the factors to be discussed as follows:

4.3.1 Strengths and Opportunities

China has considerably consolidated its strengths in the military arena since Deng's resolved decision that the country's army be modernised and streamlined to reflect the changes of the times. As it stands, Chinese military policy is demarcated by several crucial strengths:

4.3.1.1 *Continued expansion and improvements to quality of the country's navy*

China has an estimated 300,000[109] active service members in its navy – charged with policing the country's near-seas and oceans, as well as supporting long-distance operations ranging from counter-terrorism operations to personnel evacuation campaigns. The Chinese Navy is now the world's largest naval force in terms of ship numbers. It commissioned eighteen ships in 2016, as compared with five by the U.S. Navy.[110]

The navy's quality has also steadily improved over the years, with 70% of the fleet – per RAND Corporation estimates – "modern" in 2017, as compared with less than a half in 2010. [111] Other ongoing modernisation efforts include

[108] https://news.cgtn.com/news/2020-07-30/Xi-Jinping-envisions-world-class-Chinese-army-in-new-era-SyjxbICP16/index.html
[109] https://en.wikipedia.org/wiki/International_Institute_for_Strategic_Studies
[110] https://www.cfr.org/backgrounder/chinas-modernizing-military
[111] https://www.rand.org/content/dam/rand/pubs/research_reports/RR300/RR392/RAND_RR392.pdf

commissioning nuclear submarines, aircraft carriers (a third carrier is due to be operational by 2022), and the incorporation of artificial intelligence and advanced surveillance technology into navy apparatus.[112]

The opportunities afforded by China's navy growth can be viewed through two lenses – from China's perspective, and from the perspective of global security. With respect to the former, a bolstered Chinese navy is of vital importance to China's ongoing, broader vision of consolidating its defences of territories and waters deemed crucial to national interest – including the South China Seas, in which China faces significant disputes over territories such as the Spratly Islands; as well as the Taiwan Straits and East China Sea. China's consolidated navy strength also serves as a critical deterrent against regional military competitors – e.g. Japan and Korea; though some have posited that China's military modernisation has in fact served to spur calls for re-militarisation in the former.[113]

As for the latter, a more competitive and equipped Chinese navy could play an instrumental role in facilitating crackdowns on terrorists, pirates, and insurgents in open seas. There exist plenty of opportunities for genuine collaboration between China and other states – as integral pillars of the international community – in tackling common challenges that jeopardise the safety of the open seas. It is worth noting that even on areas that China takes as being of paramount importance in the South China Seas – e.g. access to islands and territories it has historically accessed and possessed – the country is keen to resolve its differences with neighbours through peaceful negotiations, and managing its military presence in the seas. This should and must be juxtaposed against the equally significant presence of the American navy in the seas – despite

[112] https://cimsec.org/if-you-build-it-they-will-lose-competing-with-china-requires-new-information-warfare-tools/

[113] https://2017-2021.state.gov/chinas-military-aggression-in-the-indo-pacific-region/index.html

the fact that America has no legitimate or formal claim to any portion of the South China Seas.[114]

4.3.1.2 *Streamlined management and centralised command*

Since his rise to power, Xi Jinping has implemented substantial, structural changes to China's military, with the primary aims of streamlining its operations and management, as well as developing a centralised core of command coordination. The army shrunk to under 1 million troops, as other prongs of the military continued to expand. Reforms have reduced the average unit size – to reduce the unwieldiness and inefficiencies involved in the command structure, as well as devolved more powers to mid-tier commanders and officers. Soldiers deemed unfit for deployment have been asked to retire, as a means of improving capital intensity (i.e. the volume of capital per unit of labour). Lines of reporting and duty have been "clarified", with chains of command significantly de-cluttered to facilitate easier management and reporting.[115]

In late 2015, the Chinese government implemented drastic reforms that consolidated the former seven military regions into five new theatre commands (TCs), as well as abolishing the various "general departments" and forming the Strategic Support Force to spearhead the country's space, cyber, and electronic warfare developments. [116] The military regions were predominantly administrative entities with limited to no operational control over air, naval, and missile forces in peacetime. In juxtaposition, theatre commanders are endowed with the rights to draw on conventional forces within their respective regions to plan and execute operations – even during peacetime. The expansion of remit for

[114] https://www.voanews.com/east-asia-pacific/year-unusually-high-us-activity-noted-south-china-sea
[115] https://www.scmp.com/news/china/military/article/2179892/chinas-new-light-tank-mountainous-areas-goes-service
[116] https://ndupress.ndu.edu/Portals/68/Documents/Books/Chairman-Xi/Chairman-Xi.pdf - Pg 2 & 5

military region leaders also came with the legitimation of their prerogatives – subordinates could no longer defy centrally issued commands on grounds that such commands exceeded the default scope of responsibilities for their superiors.

These reforms have in turn played a pivotal role in improving the overarching competitiveness and strength of the Chinese army. The shift to theatre commands reflects the country's ongoing advancing of an "Information System-based System of Systems Operations" – a paradigm that emphasises consolidation and pooling of information, such that it could be readily manipulated and wielded as weapons in the country's ongoing military efforts. The paradigm shift connotes, in turn, a greater emphasis that is placed upon *true jointness* and *unity* in military operations; hitherto, military operations have been largely individualised and segmented into departments – driven by 'section leaders' with incentives that pull in different directions. By nudging the People's Liberation Army (PLA) commanders and staff to "think in terms of joint training rather than combined arms training", these reforms have critically strengthened the extent to which senior military commanders are *open and motivated* to work with one another.[117]

What opportunities would this afford the PLA and China at large? A progressively reformed military, in China's language, would be vital in supporting President Xi's quest - "With a view to realizing the Chinese Dream and the dream of building a powerful military, we have developed a strategy for the military under new circumstances, and have made every effort to modernize national defence and the armed forces," the President noted. [118] Xi's military reforms must be read alongside his extensive anti-corruption efforts in the military, which have successfully uprooted and thwarted dominant rent-seeking

[117] https://ndupress.ndu.edu/Portals/68/Documents/Books/Chairman-Xi/Chairman-Xi.pdf -Pg 231
[118] http://www.xinhuanet.com/english/download/Xi_Jinping's_report_at_19th_CPC_National_Congress.pdf

players in the structure – thereby lending further credibility and momentum to China's modernisation of its forces.

More fundamentally, a less inefficient Chinese army could prove to be a pivotal stabilising factor. Military inefficiencies – coupled with factionalist struggle, internal disputes, and mutual vying for power – had long been a cause of potential conflict, both within the country and between China and neighbouring states: this is because the less centralised the military command is; the more heterogeneous the range of actors involved in military decision-making, the less likely it is that such decisions are undertaken exclusively with the country's best interests in mind. Instead, tensions between regional and local or sub-local command could well yield unintended conflicts that went against the instructions from the highest tiers of command. By reducing the communicative distance between the Central Command and frontline officers, Xi's reforms have vitally addressed the problems of clogged communications and plausible deniability that had previously existed. Such is another strength of China's army in 2021.

4.3.1.3 *Substantial military spending*

The Chinese government devotes a significant volume of its budget towards its military. Defense spending had increased in absolute terms by over sevenfold – from $31bn in 1998 to $239bn in 2018 – rendering China therefore the second largest nation by total military expenditure in the world, behind only the United States. Whilst military expenditure as a proportion of the country's official GDP has considerably fallen since 2000 to roughly 1.3% (a small percentage of a rapidly growing GDP/pie at large) (cf. Fig. 5)[119], estimates have suggested that the amount may in fact be larger – given the substantial number of military-affiliated and military-controlled SOEs, whose revenue does not count towards

[119] https://www.eastasiaforum.org/2021/04/22/chinas-military-budget-no-need-for-alarm-yet/

the official state military budget. More recently, Beijing set aside funds for a 6.8% rise in national defence spending over the course of 2021.[120]

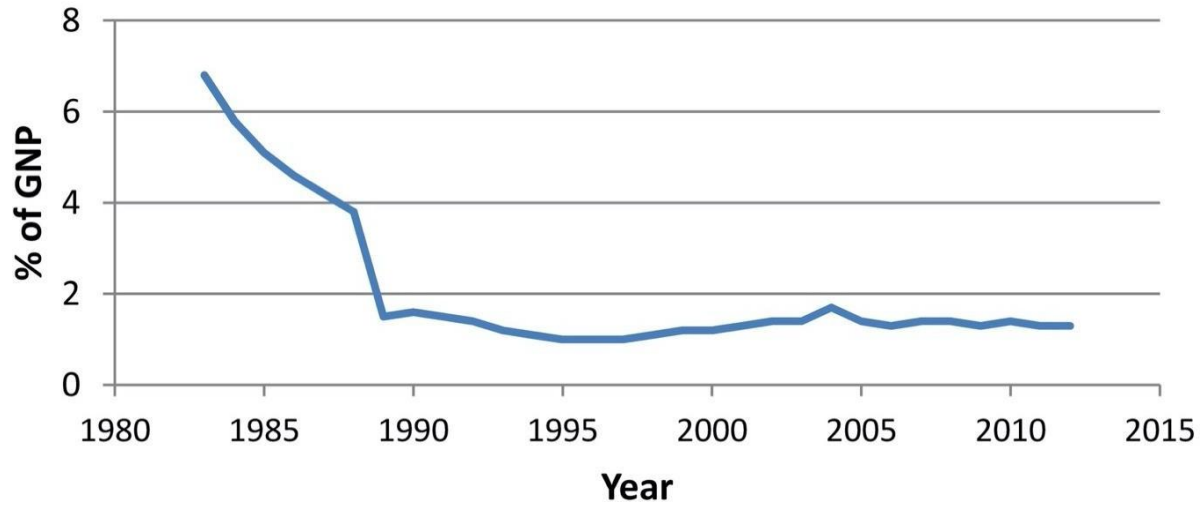


Fig. 5 – China's military spending as a % of total GDP.[121]

All of this is to say that China spends – on absolute and proportional terms – *a lot* on its military. Such spending in turn enables China to devote substantial volume of resources into expanding its sphere of influence over the Pacific, as well as upgrading its defences in anticipation of threats from neighbouring countries or the United States – should they opt to undertake provocative moves within the East Asian sphere. Xi's aspirations are for China to become a leading military power in the Asia-Pacific, as a means of securing China's sovereignty, territorial integrity, and vital development-cum-economic interests. Concurrently, there also exist the secondary objectives of shoring up the army's role in nation-building and tackling emergencies, especially in regions with limited or a dearth of robust infrastructure in face of adversities. As such, the expansion in military budget cannot be decoupled from China's broader economic vision and

[120] https://www.eastasiaforum.org/2021/04/22/chinas-military-budget-no-need-for-alarm-yet/
[121] https://www.globalsecurity.org/military/world/china/budget-table.htm

geopolitical strategy – in addition to, of course, China's irridentist quest for reunification with Taiwan.[122]

4.3.2 Weaknesses and Challenges

China's military may be on the ascent in terms of its net quality and total strength, yet it remains ridden with structural problems that – if untreated – could severely hamper China's vision of becoming a modern military power. These obstacles bring about huge challenges for both China's military commanders, and the country's top political leadership. Resolving them requires both acumen and swiftness, attributes that may not be shared – despite their presence at the upper echelons of Chinese government – by the mid-tier management and commanders of the PLA.

4.3.2.1 *The Chinese Navy's lack of top-tier hardware*

China certainly has the world's largest navy by the sheer number of ships (as aforementioned). Yet its navy also suffers from a dearth of top-tier "hardware"– that is to say, its overarching competitiveness is inhibited by its disproportionate reliance upon smaller classes of ships.[123] Most estimates of the PLA navy size tend to include small coastal patrol ships and miscellaneous transports ships in it – which lead to a partially inflated estimate of the navy's substantial strength: many of these ships are neither designed for combat, nor combat-ready.

To put things into perspective, the PLA navy's force comprises two aircraft carriers, one cruiser, 32 destroyers, and 86 missile-armed coastal patrol ships, amongst others; its submarines include 46 diesel-powered attack submarines and

[122] https://www.cfr.org/backgrounder/chinas-modernizing-military
[123] https://thediplomat.com/2021/04/yes-china-has-the-worlds-largest-navy-that-matters-less-than-you-might-think/

six nuclear-powered attack submarines. In contrast, the US navy possesses a fleet that includes 11 (9 more) aircraft carriers, 92 cruisers and destroyers, and 50 attack submarines, 14 ballistic missile submarines, and four cruise missile submarines.[124] All of this is to say that the PLA pales in comparison against the US army with respect to its 'top-tier' hardware – specifically, aircraft carriers and destroyers.

More fundamentally, the predominant majority of the PLA navy comprises coastal patrol ships – which have limited capacity to project beyond China's near seas. Now the rejoinder would be as such: why should China be concerned by such "limitations", if its primary aim is to maintain a continued grip over waters proximate to its shores and territory? This is a valid objection – though it is worth noting that should China indeed be seeking to step up to becoming a world-class regional power, it will need substantially more hardware that enables its navy to traverse vast distances and uphold regional peace and security.

4.3.2.2 *Command inefficiencies and barriers*

Centralisation, as aforediscussed, yields plentiful benefits when it comes to eliminating the room for local insubordination and fragmentation. Yet it could also pose a substantial hindrance for the PLA as it seeks to improve overarching efficiencies. Central command has its upsides – it enhances coordinative efforts, it enables greater sense of unity in decision-making and planning processes, it allows for the attribution of responsibility to agents in an unambiguous and effective manner. Yet if left unaccompanied by reforms to informational processes, centralisation could also fundamentally weaken the responsiveness

[124] https://thediplomat.com/2021/04/yes-china-has-the-worlds-largest-navy-that-matters-less-than-you-might-think/

and dexterity of the PLA, in a way that inhibits internal innovation, competition, and checks and balances against the failures of top-down leadership.

In 2016, President Xi Jinping introduced a series of structural reforms that institutionalised and bolstered the Communist Party of China 's direct control over the PLA. Some critics have panned this move as a shift towards politically driven top-down leadership in the army, further entrenching the Party's authoritarian grip over power [125] ; yet setting aside the political-ideological criticisms, it is apparent that without the necessary reforms to the way military command is carried out, the heightened adherence to central control could pose great liabilities for Beijing's military ambitions. The flipside to reduced command "clutter", is the very much real and pressing possibility of information overload and over-concentration in the hands of a few. All of this is to say that should efficiency enhancement be the primary motivation of recent transformations to the military, the software and governance infrastructure matter just as much – if not more so – than reducing bureaucratic red-tape and the distance between Command Central and the frontlines.

Further barriers to command range from the lack of transparency over personnel promotion and demotion decisions [126] , to the outdated, anachronistic training received by its ground forces – which render the enactment and implementation of modern military strategy cumbersome at best, to the generational gap that has emerged between the military chiefs and younger generation of soldiers. [127] Modernisation takes a group effort – and China needs all hands on deck in order to advance genuine, thorough reforms.

[125] https://www.forbes.com/sites/davidaxe/2020/12/23/the-chinese-navy-has-a-command-problem/?sh=7f5a5fe26268
[126] https://ndupress.ndu.edu/Portals/68/Documents/Books/Chairman-Xi/Chairman-Xi.pdf - Chapter 10
[127] https://www.scmp.com/news/china/military/article/3131870/chinas-military-commanders-come-under-attack-outdated-training

4.3.2.3 *Lack of "military soft power" – deficiencies in quality of human capital*

Since 2015, President Xi Jinping has sought to tackle what he termed the "Five Incapables" – systemic deficiencies in the judgment and aptitude of military officers, who have struggled to "judge situations, understand higher authorities' intentions, make operational decisions, deploy troops, [or] deal with unexpected situations"[128]. Xi's very own assessment is that the Chinese army – especially its mid-level to upper-middle tiers of command, lack genuine training and prowess in terms of their combat leadership. These inabilities pose a severe obstacle to China's ongoing campaign to revamp its military, to render it more fitting and compatible with the rapidly shifting demands of a globalised era.[129]

Senior military commanders, in the past, have repeatedly noted that the Chinese army remained caught up in "traditional methods" that have yet to be overhauled or improved drastically in preparation for the rise of informational, digital, and cyber-warfare. Operational unit leaders are skeptical over their own personnel's abilities to handle and deploy effectively new technologies. Whilst there certainly is something reassuring about the heightened sense of self-awareness and candour concerning the army's constraints and limitations – coming from its very own commanders, one could also argue that this is a worrying indicator of the defects in the PLA's ongoing reform efforts.

More substantially, this problem demonstrates one crucial fact – as much as hardware and infrastructural improvements could be vital in facilitating the PLA's modernisation, without commensurate – if not systemic – transformations to the way the PLA is governed, managed, led, and directed, China's army would remain lacking in many of the core attributes measuring military strength and

[128] https://warontherocks.com/2019/02/the-chinese-military-speaks-to-itself-revealing-doubts/
[129] https://warontherocks.com/2019/02/the-chinese-military-speaks-to-itself-revealing-doubts/

prowess. It is imperative that Chinese leaders see to improving the quality of human capital in the PLA, as opposed to solely the quality of technology and hardware. Without the necessary software, hardware improvements alone cannot and do not suffice in ensuring a successful military.

4.4 Is there a Civil Society in China?

A further question remains – is there a civil society in China?

More precisely, to what extent does China possess a "genuine" civil society – the space for collective action, agitation, organisation, and contestation around interests, purposes, and values, independent of both the commercial/private sector and the state? Sceptics often posit that with the Chinese state's all-encompassing reach and embedded connections with its civilian populace, bolstered by nascent and digital technologies (what MacKinnon terms "networked authoritarianism"[130], there exists no civil society in China, for any and all civilian-led activities are necessarily monitored, tacitly condoned, tolerated, or prohibited by the state.

This is a misinformed argument, for three broad reasons. Firstly, it neglects the fact that beyond the politically contentious "baseline" areas over which the Chinese state admittedly maintains a stringent grip, there exists a vast terrain of flourishing, vibrant civilian-led activities, associations, clubs, and spaces that have minimal – if any – state oversight. These include the entertainment and recreational arts sectors, which, despite the Chinese government's promulgation of state-ratified and -endorsed cultural activities and celebrations, have

[130] https://rconversation.blogs.com/MacKinnon_Libtech.pdf

increasingly diversified and evolved towards a greater emphasis upon internationalism and pluralism over the years.[131]

Secondly, on a more conceptual note, the prying apart of "civil" and "state" may work well in describing the relationship of tension and mutual check-and-balance in the West, when it comes to the civil society's interactions with the government. Yet China possesses a distinctly divergent political culture in this regard, where state and governmental presence in civil society is neither viewed as out-of-the-norm or suspicious, nor interventionist. Most large-scale associations and universities indeed possess 'Party Secretaries', who nominally check on and report upon the activities and directives of these spaces to the Party – in practice, however, the level of monitoring and oversight remains minimal, especially in spaces that are conventionally accepted to be politically uncontroversial.[132] To equate a civil society with state presence, with a civil society wholly policed and controlled by the state, would be a categorical error.

None of this is to say that civil society organisations in China are as "free" from constraints or legal restrictions as their counterparts in the West. Admittedly, laws governing association incorporation and registration remain more stringent and readily enforced – especially when it comes to international non-governmental organisations, which have faced substantial resistance over recent years when it comes to setting up their presence within China. Yet it would be hasty and premature to conclude that with its strong state, China therefore has no civil society.

Thirdly, indubitably accelerated in part by the influx of high-skill migrants and expatriates, though by-and-large organically driven by the urbanisation and rise

[131] https://www.chinadaily.com.cn/opinion/2015-06/26/content_21114127.htm
[132] https://hkupress.hku.hk/pro/con/130.pdf

of a competitive, proactive middle class, leading cities in China – including Shanghai and Shenzhen – have substantially liberalised in their cultural scenes, overarching ethos and stances on "progressive issues", and openness to cultures that do not conform with the Han majority. This can be seen in the highly progressive values of the new generation of Shanghai millennials, per Cheng Li[133], who find themselves equally drawn to LGBTQ+ rights, feminist empowerment, and environmental protection as their Western counterparts. Local activism and non-governmental organisations are, whilst circumscribed naturally by state monitoring and regulations, generally flourishing.

The importance of China's millennials and future generations cannot be over-stated. In the following sections, this paper shall delve into three specific causes – traditionally associated with "progressive values" in the West, with the objective of establishing two critical tenets:

First, there is more that unites and is in common between China's youth, and their counterparts in the West and all across the world, at large;

Second, the civil society in China is increasingly vibrant and active – in ways that cannot be straightforwardly curtailed or curbed, even with significant state intervention.

Three areas will be explored as a means of elucidating the above two claims: on environmental issues, on issues of sexual liberation and gender equality, and, most fundamentally, the rise of individualism across the board in post-2000s China.

[133] https://www.brookings.edu/book/middle-class-shanghai/

4.4.1 Environmental Protection and Advocacy

Throughout vast swathes of its decades of rapid economic development, China had been severely affected by heavy pollution and environmental degradation that had resulted from its rapid industrialisation and urbanisation. 20 of the 30 most polluted cities of the world were in China, as of 2008.

Prior to 1980, China had had no environmental NGOs. China's first international NGO was the World Wide Fund for Nature (WWF) China, which was established with the primary objective of protecting giant pandas.[134] As of 2005, the number had increased to over 2,000 officially registered NGOs, alongside a plurality of para-organisations and civil society pressure groups that operated in concert in lobbying and pressing for changes in policies from the government. The leading environmental NGO in China – Friends of Nature – launched its first annual report in 2006, calling for swift remedial action and response to the country's systemic water, air, chemical, and biological pollution. [135] In 2004, 100,000 Chinese college students from 22 provinces partook in environmental activities on Earth Day – testament to how extensively the movement had taken root in public consciousness and amongst the country's youth.

Activists regularly register discontents over rising pollution levels, climate change emissions, and other forms of environmental destruction – through an integrated mixture of offline and online means. Offline means encapsulate the filing of lawsuits against corporations – including SOEs, exposing corruption impacting the environment, protesting infrastructural project, exposing factories' failure to undertake carbon-neutral, emissions-reducing actions. Online means include, on the other hand, mass campaigns across online fora and social media

[134] https://wwf.panda.org/wwf_offices/china/
[135] http://climate.org/archive/topics/international-action/chinese-environmental-action.html

with the aims of naming and shaming pollutant dischargers and inept local environmental officials.[136]

Over the past decades, environmental activists helped with stopping dam construction on the Nu River in Yunnan, as well as worked with labour activists and unions in bargaining collectively for better and more sustainable labour and industrial practices in factories. A culture of philanthropy, coupled with heightened awareness of sustainability concerns, has promulgated innovative tools and policies ranging from green financing to environmentally conscious community actions (e.g. planting trees, trash recycling and collection) across major cities and urban hubs in the country.[137] Afforestation efforts across the country have been critical in supporting the country's transition to a greener and more sustainable developmental trajectory, which is – in turn – emphasised as a key governance objective by a number of Chinese political leaders. Indeed, in their account of a "Harmonious Society", President Hu Jintao and Premier Wen Jiabao called for "a harmonious society is one that puts people first", that reflects the needs and values of individuals in accordance with the overarching principle of maintaining a stable and persistent social order and hierarchy. [138] A core component of this, of course, was environmental protection.

More recently, millennial and Gen-Z protesters – such as Zhao Jiaxin and Howey Ou[139] – have spoken up over China's carbon emissions. Whilst the country had pledged to contribute towards an "ecological civilisation", and whilst the country certainly leads the United States on both fronts of reducing emissions and engaging with producing more renewable energy at large, deficiencies remain in

[136] https://www.researchgate.net/publication/227711580_China's_Environmental_Activism_in_the_Age_of_Globalization
[137] https://www.greengrants.org/2005/09/08/china-proposed-dam-project-suspended-for-now/
[138] https://www.chinadaily.com.cn/english/doc/2005-03/08/content_422680.htm
[139] https://www.theguardian.com/world/2019/sep/18/china-young-climate-heroes-fight-apathy-party-line

the ongoing process of de-carbonisation. Civilians therefore play an instrumental role in pressuring provincial and central governments – though the extent to which the state apparatus is responsive to their demands, of course, is by no means perfect.

A demonstrative exemplar here would be Ma Jun – an investigative journalist-turned-environmentalist/leading academic in environmental sciences in China. Ma Jun began his career as a journalist at the *South China Morning Post*, and specialised in environmental reporting for his career. His *China's Water Crisis* in 1999 ignited a substantial wave of debate – open and behind closed doors – within Chinese civil society. Through his rigorous research and advocacy, he came to direct the Institute of Public and Environmental Affairs – a pioneering public database tracking levels and sites of water pollution in China. He currently overseas the Institute of Finance and Sustainability – which is backed by the Chinese state yet concurrently promulgates largely private sector-driven research through public-private partnerships and co-funding schemes.

In response to the increasing prevalence and prominence of environmental issues as a subject of concern, it is no surprise that a significant number of Chinese youth are environmentally "woke" – it is apparent that the increasingly widespread environmentalism in China[140] is by no means, if at all, the product of Western influences. Instead, it stems from a complex mixture of cultural thriftiness engrained in Confucianism, an emphasis upon recycling as an act of virtue ("non-wastage"[141]), and extensive state-backed media campaigns portraying climate change as an existential threat to humanity. To the extent that China has an environmentalist civil society, its ammunition, its fuel for growth, and its

[140] http://www.inquiriesjournal.com/articles/1606/environmentalism-and-postmaterialism-in-china
[141] https://www.sciencedirect.com/science/article/pii/S2666916121000049

contours cannot be decoupled from the state, which remains a primary patron and backer of the movement, despite their divergences on more specific policy issues.

4.4.2 Sexual Liberation and Gender Equality

Women's rights groups had always played a historically significant role in civil society activism and the spaces that straddled the public and private sectors. As a critical component of Communist ideology, gender equality had long been touted by the Chinese government – especially under Mao Zedong – as a normative principle to be upheld and pursued, both in order to enable the Party to establish political standing and win favours from the country's female population, as well as justify the Party's extensive reach into family life through schemes such as the "One Child Policy" (though the extent to which the scheme in fact set back and undermined women's rights cannot be overstated – female infanticide was an issue of particular concern, as induced by the policy that had stipulated only one legally permitted birth per family).

At the 1995 World Conference on Women, Party Secretary Jiang Zemin declared that "men-women equality is a basic national policy".[142] Feminist NGOs were amongst the first crop of NGOs that had been set up in China in the 1990s, paving the way for leading feminist alliances, groups, and entities in modern China – including the Anti-Domestic Violence Network and the transformation into an NGO of the Women's Federation (nominally an NGO, de facto still under state-control). The UN conference also introduced concepts such as domestic violence, rape, and the gendering of policy deconstruction/analysis into Chinese legal parlance.

[142] https://en.wikipedia.org/wiki/Feminism_in_China#cite_note-31

The feminist movement frequently makes use of critical lawsuits – over cases of discrimination and harassment – as means of expanding the range of female liberties and rights legally enshrined and recognised. Since the early 2010s, this has been supplemented by feminist bloggers who employed platforms such as WeChat and Weibo to issue political statements. Xixi Luo's online statement in 2018 – in which she revealed that she had ostensibly been sexually harassed by her former PhD supervisor – heralded the beginning of China's very own home-grown #MeToo movement.

Since the early 2000s, sexual liberation has taken on an additional dimension in China. Not only is the empowerment and emancipation of female sexuality viewed as an integral component of gender progress, but it is also deemed as a necessary and beneficial product of the country's burgeoning trends of consumerism and the middle class. The rise of marketised and commercialised sex (e.g. the advent of sex products, the popularisation of recreational contraception, and the introduction of sexualised entertainment and culture – though the extent to which the latter empowers, as opposed to denigrating women through objectification, remains up for question) has come hand-in-hand with the country's opening-up of markets to Western investment, firms, and products.

Gender equality should not be – and indeed has not been – limited to solely female empowerment. China's increasingly vocal and visible LGBT+ rights movement plays a critical role in contesting the state's constrictive regulations and regressive legislation over the legal rights and privileges of non-cis heterosexual gender minorities. Same-sex couples are unable to marry or adopt in general, and households fronted by such couples are ineligible for the legal protections afforded to heterosexual couples.[143]

[143] https://en.wikipedia.org/wiki/LGBT_rights_in_China#cite_note-ILGA-1

The LGBT+ movement in China offers an illuminating example of how, despite the lack of voluminous or abundant international linkages, local activists can and do creatively leverage discourses, values, and resources indirectly acquired from international movements as a tool for their advocacy and activism.[144] Sichuan offers a particularly insightful case study of how transnational groups, provincial governments, and local NGOs often work in tandem and in conjunction in advancing organic changes to sexual laws, norms, and customs on the ground.

International donors and NGOs cultivated a rather substantial presence in Sichuan in the late 1990s, during the ongoing efforts to combat the emerging HIV/AIDS epidemic. These agents introduced critical knowledge and funding, which vitally nudged the government and general population in the direction of acknowledging the scale and severity of the crisis, as well as the trauma inflicted upon those inflicted by it. The 1990s crisis also facilitated the creation of stable funding channels that regularly redirected funds from international organisations – via the municipal or local governments – to frontline grassroots organisations that had been combating the HIV/AIDS crisis. Many of these organisations later evolved and expanded into NGOs advocating more broad-based improvements and emancipation in LGBT+ rights.

Without the endorsement, or, indeed, support of local officials, such organisations could not have been permitted to exist and operate. The Chinese state is by no means a unitary actor – it must be disaggregated into domestic political structures; structures that have competing interests and clashing values, whose guiding principles vary from region to region. Whilst Sichuan has flourished as a LGBT+ hub in China, Beijing – the country's capital – remains relatively closed to what

[144] https://www.tandfonline.com/doi/pdf/10.1080/10670564.2012.684967?casa_token=G809osykMnAAAAAA:SgP7dIrWo1m8sz9WzWGJw22LsK9lKfPnuIkv0OU6L5ZHspSKpO8ymkKXQM2o5f6BXXNfLYThE2ri_w

the Central administration perceives to be "Western values": values that are to be repudiated for their (ostensible) inimical foreignness to Chinese culture.

All in all, movements advocating sexual liberation and gender empowerment in China do *not* work against their state – they are by no means *anti-state*; instead, they often work in tandem with a combination of local officials and governments, and international organisations, in pressing for legal and political concessions and transformations under the state.

4.4.3 Individualism and the Youth

The Chinese civil society is increasingly *individualised*, with a growing emphasis upon individuals undertaking responsibilities that had previously been assumed by the state and large, overarching associations tasked with social management.[145] The individualisation of China is a natural product of economic privatisations and the increase in premium attached to individualistic "virtues" of perseverance, industriousness, and persistence. (The nomenclature, *individualism* and *individualisation*, was coined and conceived by scholar Yan Yunxiang).

Scholar Yan Yunxiang is of the view that the rise in individualisation should not be equated with rising *individualism*.[146] For Yan, individualism connotes the normative and ethical outlook in which the individual places their own interests, needs, and preferences at the forefront of their decisional and action calculus. In contrast, individualisation constitutes merely the state's treatment of the individual, as opposed to larger collectives – e.g. associations, families, or companies – as the primary unit of social policy. Individualisation entails the assignment of responsibilities, duties, and rights to individuals; whether this

[145] https://china.usc.edu/qa-yan-yunxiang-about-rise-individualism-among-chinese-youth-post-mao-era
[146] https://www.routledge.com/The-Individualization-of-Chinese-Society/Yan/p/book/9781847883780

would necessarily entail the arising of individualism, however, "varies from one society to another".[147]

The argument proffered here should perhaps be updated in light of recent trends that have cropped up in China over the past decades. With the advent of social media, digital and technological communicative platforms, entertainment shows and 'media icons', Chinese youth today are exposed to an unprecedented level of possible choices and personal freedoms.[148] This particularly manifests in the form of choices over one's occupations, as industries are continuously diversified and opened up to foreign investors/firms, and youth-led start-ups and innovation have increasingly thrived on a grassroots level.

A particular exemplar of the latter phenomenon constitutes Shenzhen (cf. Fig. 6) – a city oft-touted as the "Silicon Valley of China/Asia"[149], where enterprises contributed towards more than 90% of the city's research investment, and over 90% of new patent filings in 2017. Shenzhen has emerged as a global hub of R & D (with research accounting for 4.1% of Shenzhen's total GDP in 2017, nearly double of that of the national average), and a large number of its leading technological firms and companies are spearheaded by highly skilled, educated, professional youth.[150] Shenzhen's total GDP is also larger than Hong Kong's – surpassing the latter in 2018.[151] The ascent of start-up culture and technological entrepreneurship is accompanied by the commensurate surge in individualist-capitalist values in popular discourses – which have attached a higher premium to individuals' personal credentials, experiences, and professional skillsets over the traditionally prized 'collective' brands and track records of their firms. It is

[147] https://china.usc.edu/qa-yan-yunxiang-about-rise-individualism-among-chinese-youth-post-mao-era
[148] https://escholarship.org/uc/item/8t07j035
[149] https://news.cgtn.com/news/31457a4e356b7a6333566d54/share.html
[150] https://news.cgtn.com/news/31457a4e356b7a6333566d54/share_p.html
[151] https://www.scmp.com/economy/china-economy/article/2187949/hong-kong-economy-surpassed-neighbour-shenzhen-first-time-2018

the individual – as opposed to the firm – that is celebrated across nascent industries.

Fig. 6 – Shenzhen in 1985 vs. in 2015.[152]

Individualism has also manifested through a heightened attention to individual wellbeing – in a manner that has added complexity and depth to the rise of the individual: it is not just about the individual as a consumer or as a capitalist. Indeed, many amongst China's more disillusioned, structurally disenfranchised youth have turned to "tang ping" (躺平) (literally translates into "lying down") as an act of defiance (and resistance) against the cutthroat, high-strung, high-pressure work environment and culture – one that values individualised productivity and individualistic success at the expense of wellbeing and one's family, friends, and social life; one that treats the individual as a "participant in China's economic miracle" and a "capitalistic consumer", as opposed to a well-rounded individual. "Tang ping" denotes the rebuking of unthinking, corporatist culture and the collectivist fetishisation of "success indicators" – e.g. conspicuous

[152] https://news.cgtn.com/news/3d3d414d306b6a4d31457a6333566d54/share_p.html

consumption of luxury goods and status-based consumption patterns. It reflects an increasingly conspicuous desire in the Chinese psyche for Chinese society to eschew a prodigal, materialist, and hyper-competitive variant individualism – in favour of a more community-based and holistic development-centred vision of "wellbeing individualism"[153]. In that sense and in their ways, then, Chinese youth today are rebelling against the view that "West is the way".

The above demonstrates two core upshots: firstly, the celebration and recognition of the individual has been steadily on the rise since Deng Xiaoping's economic reforms; secondly, the youth have played an increasingly significant role in shaping and moulding the national ethos – whether it be "tang ping" or their support for LGBT+ and sexual liberation movements, China's millennials are at the forefront of the evolution and development of its civil society today – playing a far greater role than their periodical counterparts did in the past.

4.4.4 Constraints and Limitations to the Chinese Civil Society

The Chinese civil society is not without its constraints and limitations. It would be vital for state and citizens alike to grapple and reckon with them – some of them are state-imposed; others arise from a combination of circumstance and structural constraints.

4.4.4.1 *From the Reform Era to Early 2010s*

In making sense of why China's civil society is more circumscribed and constrained as compared with its various counterparts in advanced industrial democracies, it behoves the world to parse the intricacies of Communist Party

[153] https://www.caixinglobal.com/2021-06-05/weekend-long-read-lying-flat-is-the-new-resistance-movement- to-materialism-101723053.html

ideology – in particular, the notion of "social management". Frank Pieke notes that contemporary China is characterised by what he terms *neo-socialism* – a distinctive governmental rationality that emphasises a strong, centralised, and sustained rule under one party, where markets and collective associations have been "selective[ly], partial[ly], and gradual[ly]" liberalised, with substantial degrees of freedom introduced into the composition and implementation of values under these respective corporatist organisations, coupled with a firm grip over the definitive principles and tenets that undergird these entities.[154]

In other words, the Party has evolved – especially during and since the era ofHu Jintao and Wen Jiabao – into a connected, sprawling entity that is devoted towards "managing" the public. Disgraced security tsar Zhou Yongkang had played a pivotal role then in spearheading social engineering and coordination efforts, as well as absorbing civil society institutions and organisations into the CPC apparatus. Some have argued that the sprawling and explosion of competing interests and values rendered it necessary for the Chinese administration to keep the lid on the pressure cooker – through reining in the excesses of civil society growth; others have posited that the CPC's tightening grip was a part of the augmented project of power centralisation that had put a moratorium on the '90s era of political reforms, with the party adhering to neo-authoritarian tenets[155] of political centralisation and economic liberalisation. In any case, it is apparent that just as its civil society has become increasingly diverse, heterogeneous, and latently potent, the extent of restrictions and regulations placed upon it by the Chinese state has also commensurably increased. Whether China's civil society would continue to liberalise – or decline – depends heavily upon the policies of its current leader, Xi Jinping.[156]

[154] https://journals.sagepub.com/doi/10.1177/0920203X12442864
[155] Sautman, Barry, *Retreat from Revolution. Why Communist Systems Deradicalize,* University Microfilms International, Ann Arbor, Michigan, 1990, 669 p
[156] https://www.chinafile.com/reporting-opinion/viewpoint/remaking-chinas-civil-society-xi-jinping-era

4.4.4.2 *Recent Trends under Xi*

Xi's ascent to power has brought radical reforms and changes to Chinese civil society. Much existing commentary has selectively and – perhaps intentionally – focussed on the alleged repressiveness of the ongoing reforms to governance and non-governmental organisations. Critics claim that the Chinese government's adoption of "stronger ideological controls over universities, media, and the Internet; and the passage of national security laws such as the National Security Law, […] the Foreign NGO Law, […] and Cybersecurity Law" are both signs of its growing uneasiness towards its booming civil society, and its inherent disposition towards curbing civilian expression and associational freedoms.[157]

To some extent, the objective phenomena described in these criticisms have indeed materialised across certain sectors and spaces – that much is clear. Registration for non-governmental organisations – especially international ones (for whom it is practically very, very difficult and onerous) – has become precipitously arduous, though this is, perhaps, no different from the fate confronting Chinese organisations and companies in the West. [158] There is a palpable sense that compliance with the Party's rule and order has become an increasingly weighted component in determining whether a non-profit organisation could continue to operate.

Independent and vocal grassroots NGOs – especially those who have worked on rights protection and advocacy for disenfranchised groups and minorities – have found themselves subjected to systemic exclusion as new laws effectively prohibited international and foreign NGOs from funding for-profit domestic

[157] https://www.chinafile.com/reporting-opinion/viewpoint/remaking-chinas-civil-society-xi-jinping-era
[158] https://www.pbs.org/wgbh/americanexperience/features/mccarthy-numbed-with-fear-chinese-americans/

enterprises – which targeted specifically small- to medium-scale independent NGOs that had previously sought to evade governmental regulations through legally establishing themselves as companies, as opposed to social organisations.[159]

Yet these narratives leave out the bigger picture. The 2016 Charity Law and associated laws opened up significant opportunities for charities to partake in public fundraising, setting up trust, and undertaking government contracts, as well as expanding the legal terms of references for fundraising processes to include online fundraising.[160] The Chinese government has also invested heavily into child welfare, environmental, and anti-discrimination/justice sectors, pledging to set up further centralising authorities and taskforces to coordinate the actions of civil society actors within each area. It is apparent that leading civil society actors have become less autonomous, with a heightened degree of state intervention and oversight over their activities. What is less apparent – albeit equally true – is that such co-optation has brought along substantial economic and institutionalisation-related benefits for these NGOs. There are two sides to a coin, and it behoves the world to see both sides here.

It is, of course, not all doom and gloom. There remains hope in a more expansive, consolidated, rigorous, and efficient civil society. Rumours of the 'death' of China's civil society are highly exaggerated. From rekindling and 'bending' – dynamically – its relationship with local and provincial government officials and, via them, international partners; to consolidating cross-sectoral collaboration and association; to expanding its reach into unchartered waters, the civil society in China has much to give, and much potential yet to be tapped into. The environmentalist, feminist, and LGBT+ rights movements in China have never

[159] https://www.icnl.org/wp-content/uploads/China-FAQ-Charity-Law.pdf
[160] https://www.icnl.org/wp-content/uploads/China-FAQ-Charity-Law.pdf

been more effervescent and stronger in numbers. These are exciting and fulfilling times to be a Chinese citizen – especially as a young, bushy-eyed millennial. The sky is the limit.

4 How does the Chinese government govern the country?

One of the main criticisms of China by commentators who do not understand it, is that it is ostensibly run by a "dictatorship", by a "clique" of nepotistically selected and hand-picked cadets and loyal *apparatchik*. It follows from this interpretation, then, that China does not have a cogent or tenable form of governance – instead, it operates by the whims and arbitrary decisions of a single person, or few people with power.

This is a blatant oversimplification, and a deeply flawed and erroneous judgment – one that has deleterious consequences for all seeking to understand China, in not only cultivating unhelpful misunderstandings, but also precluding the world at large from learning from China where possible. This section aims to clarify the nature of governance adopted in China.

Chinese governance seeks to empower and improve the national strength of China, as well as the net wellbeing of the average Chinese citizen. Chinese leaders are less interested in serving and seeking ideologically dogged end-goals, though they do not refrain from employing ideology as a political means and device in enabling them to govern effectively. It would be far simpler for us to understand China if we do not opt for lenses tainted by ideological dogma – if we do not make the erroneous assumptions that the Chinese elite are 'out to get their citizens', or are motivated merely by personal profit.

5.1 Governance System

How does China govern itself? An exhaustive answer to this question would require hundreds, if not thousands, of pages. Only a pithy summary can be provided here – but the gist is this: the Chinese government's governance logic

is inherently intertwined with its legitimation discourse. Its ruling philosophy, per Deng Xiaoping, concerns "seeking truth from facts"[161] – to govern pragmatically and efficaciously, is a necessary prerequisite for the government's continued popularity, support from the masses, and overarching stability. Chinese government is pragmatic, experimental, innovative, and fundamentally non-ideological – despite, perhaps, the presence and emphasis upon ideological rhetoric in some of its departments.

The Chinese government's notion of legitimacy, then, can be deconstructed into two core conceptual components, a) performance legitimacy[162] - a term employed by commentators and academics to capture the distinctive emphasis in modern China upon delivering substantive, concrete positive outcomes that are broadly in line with public expectations and conceptions of the good life (or conceptions of a *majority* amongst the public), and b) hierarchal legalism [163] - a term introduced here to reflect the complex nature of the Chinese administration, rooted, in turn, in the Confucian emphasis upon hierarchal enforcement and compliance. The administration combines the top-down enforcement of compliance and party discipline with an institutionalised, centralised legal order, with both prongs spearheaded by the CPC. The emphasis upon subservience and acceptance of the established order, goes hand-in-hand with the country's distinctive and historically rooted cultural traditions, but also the pressures and demands from the public – for improvements to their quality of life – that officials across all levels must address and resolve.

[161] http://www.npc.gov.cn/englishnpc/c23934/202005/77af8d1ff8eb42dc9e49bedd8051fca8.shtml
[162] https://link.springer.com/article/10.1007/s11366-011-9140-8
[163] Note: this is a term coined for the purpose of this report – it draws upon both China's legalistic dimensions (in its distinct emphasis upon the law), as well as the heavily hierarchal nature of China's bureaucracy. See earlier citation re: Baum

These two objectives are symbiotic and mutually reinforcing. The durability and tenability of the CPC's rule enable it to carry out swift, broadly (though not always) efficacious policies and executive decisions; on the other hand, the absence of substantial opposition to or deviance from the party ensures that the party, proverbially, "gets things done". In understanding how the Chinese administration governs, therefore, it is imperative that one reflects upon how much of its governance institutions are rooted (or not) in the two doctrines above.

5.1.1 Performance Legitimacy

In making sense of 'performance legitimacy', two questions must be asked – how does this concept fit within the CPC ideology in *theory*, and how does it play out *in practice*?

The theory of performance legitimacy has always been clear – and an underlying strand that has run throughout the governing ideologies of Deng, Jiang, Hu, and Xi. Deng Xiaoping called for a "liberation of thought; pursuit of pragmatism" ("解放思想，实事求是") as he sought to articulate a vision for China that nominally paid tribute to Maoism, whilst reversing the dangerous course that China had been placed on in the dying days of Mao's rule. Pragmatism was deemed the overarching tenet that defined and motivated the radical reforms that Deng Xiaoping undertook – in delivering goods, welfare, and wellbeing to the people who needed it the most. In reorienting governance around the livelihood of citizens – as opposed to the obtaining of some grandstanding, historicist vision, Deng[164] offered a triangulating path between the ideological frenzy of Maoist

[164] Andrew Nathan 2003 https://www.journalofdemocracy.org/articles/chinas-changing-of-the-guard-authoritarian-resilience/ ; Deng Xiaoping Thought – Ezra Vogel https://www.amazon.com/Deng-Xiaoping-Transformation-China-Vogel/dp/0674725867

remnants and the zealous cries for reform amongst the progressive members of the party.

Deng Xiaoping's postulates were continued under Jiang and Hu – the former added "Moving with the times" ("与时俱进") to the couplet, to reflect the modernising tendencies and processes that unfolded under his watch; the latter supplemented the Jiang Zemin-Deng Xiaoping hybrid, with the slogan "Seek truth from practice" ("求真务实").[165] What undergirded all three leaders was the emphasis upon delivering practical outcomes and tackling real issues – as opposed to asking theoretical, abstract questions that only served to distract and conceal the practical truth. As compared with his two predecessors, Xi Jinping was distinctly more upfront – "Improving people's livelihood and well-being is the primary goal of development.", he wrote, as a part of his core theoretical commitments.[166] Xi Jinping Thought – as penned by ideology architect Wang Huning – treats development as a means to an end, of floating *all* boats.

All of this is well… in theory. Yet does it hold up in practice? Political scientist Andrew Nathan[167], in making the argument in 2003 that China might emerge to be an authoritarian-resilient state, as opposed to a state that would, like the USSR, collapse and fragment, posited that a variety of institutions and practices adopted by the CPC leadership enabled it to remain in power. What he perhaps under-estimated, however, was the extent to which these institutions were intentionally and functionally installed with the purpose of ensuring quality control and gatekeeping over the actual forms of governance at all levels in the country. By cynically reducing the Chinese government's internal checks and balances to tools sustaining "authoritarian resilience", Nathan neglects the rich, deep

[165] https://www.cambridge.org/core/journals/china-quarterly/article/reassessing-the-huwen-era-a-golden-age-or-lost-decade-for-social-policy-in-china/8270E2AF1D13DE32715A5598414D064F
[166] https://thediplomat.com/2018/10/a-slowing-chinese-economy-means-more-instability/
[167] https://www.journalofdemocracy.org/articles/chinas-changing-of-the-guard-authoritarian-resilience/

literature on the ethos of governance – and what governance ought to look like – from prominent academics in China, such as Daniel Bell [168] and Zhang Weiwei[169]'s dissection of mechanisms that have enabled the Chinese government to rule successfully and with charisma.

The first mechanism constituted China's **norm-based succession politics**. Deng Xiaoping presided over a plethora of gentocrats and elders who had made substantial contributions to Chinese politics since the Civil War – these senior statesmen all retired by mid- to late 1990s. Deng Xiaoping himself transferred power over to Jiang Zemin, the first of a series of three "orderly" and well-planned successions. Whilst Jiang had stayed on to preside over the military – and continues, till this very day, to wield significant influence over affairs in the country, his retirement in the early 2000s denoted a fundamental paradigm shift in CPC succession planning. The Jiang-Hu transition was in turn the first in which senior figures, elderly statesmen, and the military played minimal role, with the majority of the then-selected leadership of the party playing the steering role in supporting Jiang in handing over power to Hu. Xi's rise somewhat negated Nathan's original argument – he was viewed by many as a compromise candidate between multiple antagonistic factions within the party; yet even then, that he was selected, as opposed to a clear representative or spokesperson of a particular faction, was indicative of a pivoting away from detrimental politicking and politicisation of the post of General Secretary. Critics may remain cynical – but the reality was, China has been steadily improving the degree of meritocracy in the succession politics at the highest echelons.

The second mechanism featured a shift towards **meritocratic considerations playing the predominant role in selection, promotion, and demotion of**

[168] https://www.jstor.org/stable/j.ctt1q1xrbj
[169] https://www.amazon.com/China-Wave-Rise-Civilizational-State/dp/193813401X

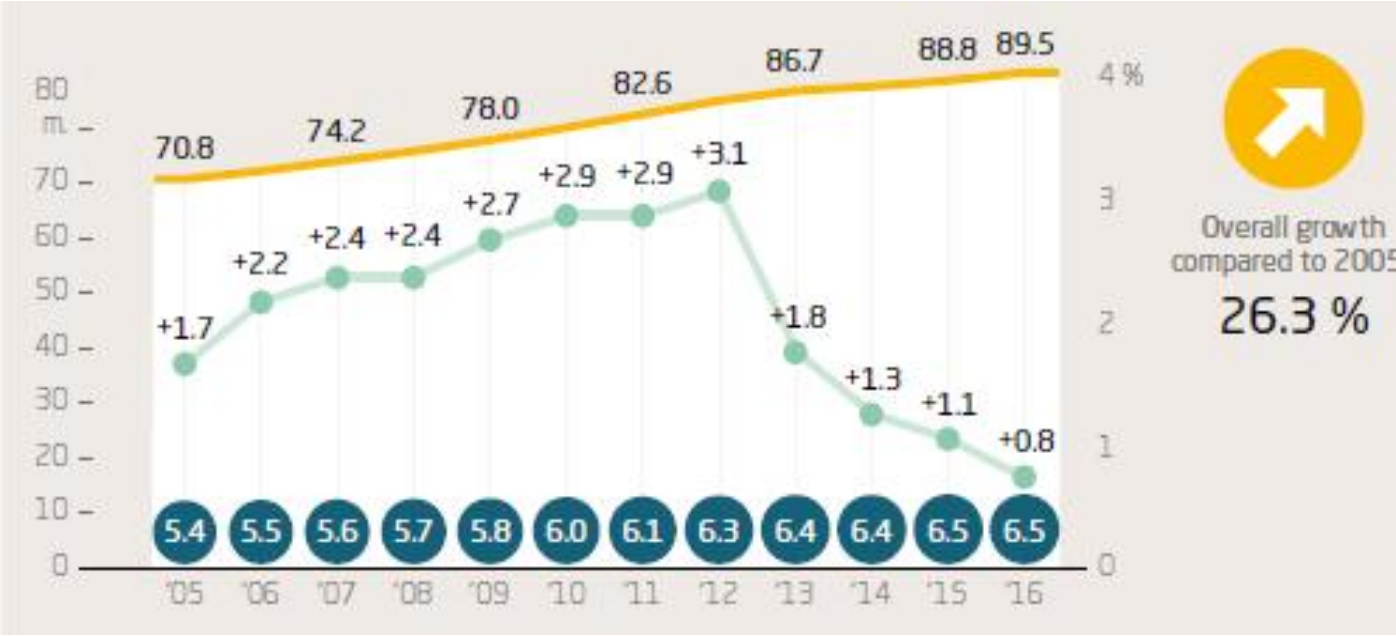
personnel across all levels. The Chinese civil service's admissions process is notoriously competitive: in 2012, 1.23 million candidates applied for the civil service, with only 1.45% of them accepted into the bureaucracy. Promotions are notoriously difficult – for one, the 900,000 section-head-level civil servants must compete over 40,000 division-head-level probationary posts, with only the successful candidates amongst these 40,000 eligible for further promotion, to join the 6,000-strong probationary force at the bureau-director level. Amongst all bureau-directors, only 2.59% make it to the provincial-ministerial level, with a vast majority of civil servants finishing off their careers amongst the junior ranks.[170] Evidently, such statistics alone is meaningless – the cynic may rightfully object that it is not about the numbers, but the means of selection; if the method of selection is overwhelmingly driven by nepotism and favouritism, rent-seeking and rent-providing, then surely, there could be no meritocracy to speak of, even if it were 1 million candidates vying for a single post.

Point noted. From the 1980s onwards, the main goal of the CPC leadership – when it came to governance reforms – was to replace old, revolutionary cadres (gradually losing their capacities to function and govern effectively, in any case) with new, younger cadres with technical expertise. Indeed, most of the current generation of leaders were born after 1949 – they are not "handpicked from those who participated in the Long March", which was a prerequisite condition, for decades since the country's establishment, for senior leadership positions in the party.

[170] https://www.hk01.com/%E5%8D%B3%E6%99%82%E4%B8%AD%E5%9C%8B/412588/%E8%A7%80%E5%AF%9F%E7%AB%99-%E4%B8%80%E5%A0%B4%E8%89%B1%E9%9B%A3%E7%9A%84%E5%8D%87%E9%81%B7%E4%B9%8B%E8%B7%AF-%E7%82%BA%E4%BD%95%E8%AA%AA%E4%B8%AD%E5%85%B1%E6%98%AF-%E7%B2%BE%E8%8B%B1%E6%94%BF%E6%B2%BB

In China today, bureaucrats are incentivised to care for the people they serve, through seemingly rather straightforward mechanisms of performance-based pay: officials are promoted, dismissed, vetted, and paid on the basis of their ability to deliver upon key governance outcomes. The sacking of officials held accountable for their dereliction of duties is frequent, though by no means ubiquitous at large.

More generally, **the youth are stepping up to positions of political and socioeconomic responsibility.** To illustrate this, note that the membership of the CPC grew by an average of 2.4% per year under Hu Jintao (General Secretary from 2002 to 2012). Growth hit a two-decade high of 3.1% in 2012 – the Party's ranks swell from 68.2 million in 2002, to 85.1 million in 2012. A vast majority of these new recruits were fresh, young college grads.[171] Despite the decline in new members under Xi Jinping, it remains the case that the bulwark vanguard of Chinese governance is increasingly streamlined, diversified, and young – see Fig. 6 on this.[172]



[171] https://macropolo.org/analysis/members-only-recruitment-trends-in-the-chinese-communist-party/
[172] https://www.researchgate.net/figure/Number-of-CPC-members-increase-rapidly_fig2_319153892

Fig. 6 – Communist Party of China membership numbers over time (between 2005 and 2016).[173]

In the 1990s, the central government introduced the National Civil Service Examination (NCSE), as a standardised and centralised recruitment method that removed the discretionary powers of recruitment from the hands of local and district cadres; recruitment was due to be "open, fair, competitive, and meritocratic", as reinforced through the Civil Service Law. Chinese scholar Liu's thesis [174] offers some interesting insights here, in which he notes that "by committing to a set of clear, enforceable rules that reduce patronage practice by elites", the CPC became attuned to institutionalising "merit-based elite recruitment that fosters a widespread and persistent perception of upward mobility among ordinary citizens"; Liu adds that "the institution of merit-based elite recruitment largely benefits those with merits" – though perhaps he overstates the extent to which the elite's interests diverges from the masses.

The third mechanism – and one that uniquely sets China apart from other non-electoral-democratic governments – constituted China's distinctive emphasis upon **functional differentiation and specialisation** amongst its bureaucrats. Bureaucrats were encouraged – since the early 1990s – to specialise in disciplines, preferably from the natural or physical sciences, that were distinct and additional to politics and party theory. Through 'tiaos'[175] – vertical systems and lines of authority over various sectors extending down from the ministries of the central government, and through which promotional decisions *could* be made, officials who had previously only reported to their respective *provincial* Governors and General Secretaries were required to report to the "Central Authorities" in Beijing

[173] Lea Shih and Kerstin Lohse-Friedrich (https://www.researchgate.net/figure/Number-of-CPC-members-increase-rapidly_fig2_319153892)
[174] https://academiccommons.columbia.edu/doi/10.7916/d8-4sfq-d358/download
[175] https://www.wilsoncenter.org/publication/china-environment-series-11997

– via the various organs installed under the National Council. The National Council thus presided over a plethora of functionally differentiated and well-defined "verticals" tasked with delivering upon specific policy directives in particular spheres.

5.1.2 Hierarchal Legalism

For the better half of the time that has elapsed since its inception, modern China has been searching for a new politico-institutional arrangement to ensure the obtaining of the aforementioned vision of meritocracy. This search for a stable modus operandi became all the more important in the aftermath of two events – the death of Mao Zedong in 1976, which left the country bereft of the personality cult that had stabilised and underpinned its centralised leadership; and the Tiananmen Square Incident in 1989, which saw modern China rocked by a series of large-scale protests culminating at the tragedy in June. As China entered the 1990s, it was desperately in need of a political system that could deliver, above all, stability and order. A set of institutional apparatuses and norms hence emerged – these norms shall be collectively denoted by the term "hierarchal legalism".

There are two components to this ideology. The first comprises the preservation of strict formal *hierarchies*, maintained through the expansive civil service system, and national security apparatus and propaganda organs. The second constitutes the *legalistic* ruling philosophy and laws enshrined under an increasingly networked[176]/connected government.

On the first, the contemporary Chinese government is highly disciplined, undergirded by well-formulated hierarchies that straddle both the geographical

[176] Networked authoritarianism – MacKinnon

(*kuai*) and technocratic-functional (*tiao*) dimensions of governance. Civil servants have been promoted and recognised for their ability to adhere to orders from above, with a critical correctional mechanism that precludes the formation of nepotistic and inept "middlemen" – personnel decisions are undertaken by officials two levels *above* the level in question, which precludes the possibility of horse-trading and locally rooted patronage networks. Additionally, bureaucrats, since the 1990s, have been extensively encouraged (instructed) by the central authorities to partake in mutual commentary and evaluation, with "peer" feedback forming a critical dimension of decisions concerning promotions and transfers.

Even when it came to the central leadership, the hyper-hierarchal element remained clear – heads of ministries (functional equivalent of "Secretaries" in Westminster/American system) are required to report to a combination of the State Council (their nominal superiors, governing the technocratic-functionalist dimensions of national governance) and the Politburo (their de facto superiors, tasked with overseeing the political-party side of governance). Sitting atop the ladder was the seven-people (once nine-, under Jiang) Standing Committee, presided over by the General Secretary. Whilst the level of influence wielded by the General Secretary ebbed and waned throughout time, the collective leadership of the Standing Committee determined all major policy decisions, directives, and the then-ideology of the party. Each member of the Standing Committee bears a designated portfolio, with apparatus such as the Central Political and Legal Affairs Commission (CPLAC) and Central Commission for Discipline Inspection (CCDI) playing a critical role in assisting senior party leaders in ensuring downstream compliance with their orders over recent years – in response to the historical problem where directives from the Central Administration seldom percolated through to their intended audiences ("政令不出中南海").[177]

[177] https://csis-website-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/twq12winterli.pdf

As for the *legalistic* component, this report must preface the following by noting that the rule of law has become a precipitously important discursive concept and tool in official party parlance. Party officials have repeatedly called for modernisations to the country's courts, whether it be for the purpose of rendering them more compatible with the needs and demands of international capital (cf. Deng Xiaoping and the early days of Jiang's rule), assisting the state in engaging in prudent, targeted "scientific management" of the country (cf. Hu's "Scientific Development" theory[178]), or, indeed, advancing a vision of "Socialist Rule of Law with Chinese characteristics"[179].

With all that said, how does theory measure up against practice? In making sense of China's legal transformations and reforms, it would be necessary to divide its contemporary legal history into three phases, per legal theorist Carl Minzner's[180] typology. The first phase constitutes the 1980s to early 2000s; the second phase, the early 2000s to 2012; the third phase, 2012 and onwards.

The first phase saw China adopt a distinctively Western or quasi-Western approach to legal reforms. The 1991 Civil Procedure Law radically transformed urban court procedures, calling on courts to "protect the exercise of the litigation rights of the parties, ensure that the people's courts ascertain facts, distinguish right from wrong, apply the law correctly […]" [181] and to approximate international standards of arbitration and adjudication – especially over civil law cases. China's rapid economic growth and the relative interest of central party authorities in rendering its commercial law more in line with international

[178] https://www.hoover.org/sites/default/files/uploads/documents/clm11_jf.pdf
[179] https://www.cambridge.org/core/books/abs/socialist-law-in-socialist-east-asia/socialist-rule-of-law-with-chinese-characteristics/53771AD414B644A1AEE7B7421046264C
[180] Minzner 2011 - https://www.jstor.org/stable/23045693
[181] http://www.lehmanlaw.com/resource-centre/laws-and-regulations/civil-proceedings/law-of-civil-procedure- of-the-peoples-republic-of-china-1991.html

standards under external pressures (e.g. the country's seeking to join the World Trade Organisation (WTO), which culminated at its eventual accession to the WTO in 2001) were pivotal forces steering this shift. As a result, the number of administrative suits against the government boomed, from 0 in 1989 to over 100,000 in 2001; the percentage of successfully mediated civil cases declined steadily from 70% (early 180s) to 30% (early 2000s), as individuals resorted to the court as means of settling their differences.

The second phase saw China pivot away from this ideal of the law established earlier – a heightened emphasis was subsequently placed upon the law's being a coordinative and supplementary tool that facilitated, as opposed to constrained, the state's governance. The "Harmonious Society" (和谐社会) doctrine proposed in 2004 by the Central Administration placed a moratorium on the "Westernisation" of Chinese law. What emerged, then, was a series of reforms that placed greater emphasis upon mediation and resolutions – both within and outside the judicial systems. People's mediation committees administered by local villagers and resident committees played an increasingly significant role in upholding contextually and geographically adapted conceptions of the law; mediation was promulgated within the judiciary, with judges and lawyers alike encouraged to eschew litigation in favour of mediation. "A world without litigation" (天下无讼) was viewed as a pivotal ingredient of a harmonious, non-adversarial society.

Since Xi Jinping took office in 2012, the "rule of law" has become increasingly important in official Chinese state discourse. An official announcement in 2020 declared that "the ultimate goal of China's rule of law is to protect the interests

of the people", where "law-based governance [is adopted] for the sake of generations to come and long-term development"[182].

Under Xi, China's rule of law had gone hand-in-hand with Beijing's mass campaigns against corrupt officials and "insubordinate elements" – including individuals in Hong Kong, Macau who had sought to undermine what China viewed as its core interests under "One Country, Two Systems". Xi's China had equally sought to adopt the Chinese conception of rule of law in its international forays – especially over the flagship Belt and Road Initiative.[183] Past decades have seen the conception of law in state discourse transition from strictly stipulated, absolutist doctrines, to contextually developed and cultivated principles that enabled the party to engage in pragmatic and flexible decision-making as it sought to promote and further its political ends. Predictably, the Western version of "rule of law" diverges rather substantially from the status quo in China – whether this should be normatively worrying or objectionable, however, is a separate question.

5.2 Is there A China Model?

There's the ten-million dollar question: does China govern by a distinctive "China Model"? Advocates who answer to the affirmative – theorists such as Zhang Weiwei[184] and Daniel Bell[185] - make the argument that the Chinese governance model offers a viable and credible alternative to the Western Westphalian, liberal, democratic order. Zhang argues that a system of elite-selected bureaucrats and public servants – backed by their connections with the people and ability to "feel

[182] http://en.moj.gov.cn/2020-11/19/c_564981.htm
[183] https://www.swp-berlin.org/10.18449/2021C28/
[184] https://news.cgtn.com/news/2021-06-03/What-is-the-unique-model-behind-China-s-rapid-rise--10NshmTiuPe/index.html
[185] https://www.economist.com/open-future/2018/06/12/chinas-political-meritocracy-versus-western-democracy

the pulse" – excels over publicly nominated and selected politicians in governing. Bell makes the culturalist case that China's distinctive politico-cultural history renders the country distinctively suited to a mixed model of governance, with the upper stratum led by meritocratic elites, intermediate layer constituted by experimentation, and bottom layer governed through democratic, village- and municipality-level elections.

These theorists have a point – some of the existing (increasingly mainstream) discourse on China tends to frame China as an authoritarian, inept, illegitimate, and untenable government, suffering from the ailments of a lack of democracy. Such readings may be rhetorically captivating and appealing to a select audience, yet are fundamentally out-of-touch with reality on the ground: as aforementioned, the Chinese public's satisfaction with their government has remained consistently high – and has plausibly even been bolstered by Beijing's successful handling of the COVID-19 pandemic. Additionally, there is often a dangerous and erroneous conflation between the lack of formal, electoral democracy, and the ostensible illegitimacy of a government. Yes, Chinese leaders are not selected via democratic elections in which all could run, and all could vote. Yet this does not necessarily render its system of governance illegitimate – especially if it were able to deliver, largely, upon the expectations and needs of the public. The distinctively meritocratic emphasis upon competence and efficiency is by no means a defect – it is, instead and indeed, a virtue that is sorely lacking from many other countries and jurisdictions around the world.

With that said, the case for a "China Model" should not be overstated. In particular, the argument that China serves as an exemplar of an alternative system, an alternative paradigm from which countries can emulate, could well be over-stated. To be clear, the global community can certainly learn from China – states at large should imitate its strengths, admire its prowess, and come to terms with

its successes. Yet this does not imply that the world should therefore view China as a "model". Indeed, most contemporary Chinese leaders often emphasise that they have no intention to export their governance model – the China Model is neither necessarily suitable for others, nor an ideology that undergirds China's overseas foreign policy.

To argue that something amounts to a model, requires more than suggesting that there can be elements of it from which other countries can learn. It is to posit that there exists completeness, consistency, and replicability in the set of political ideals espoused by the system. This is not the case for China, which continues to struggle in delineating and articulating to the international community a cogent vision or principle set that underpins its governance. Some have suggested that it is pragmatic utilitarianism; others posit that it is meritocratic technocracy – yet if even those who are well-versed with the country's history and politics remain divided over what, *exactly*, the Chinese system *is*, it would appear to be rather premature to conclude that China offers a *model* from which other states can learn.

Nor is China especially keen to export its governance model.[186] It regularly does business with Western electoral democracies; works extensively with developing and fledgling economies – members of the developing world – without demanding that they accede to specific stipulations concerning their political systems. China is uninterested in imposing its modus operandi upon countries for which it may not be applicable – nor, indeed, is it bent on instigating an "axis of authoritarianism"[187] . A vast majority of democracies in the world engage in substantial trade with China; China has not sought to make them any more comparable or alike to itself. Where it has indeed engaged in political interference

[186] https://www.lawfareblog.com/what-bidens-top-china-theorist-gets-wrong
[187] https://research-repository.uwa.edu.au/en/publications/chinas-evolving-role-in-global-governance-the-aiib-and-the-limits

and promotion of values or goals, it is to advance agenda that directly benefit itself in the domestic setting – i.e. not regime change or regime *type* change. The CPC highlights its distinctive governance model in a defensive manner, in response to often over-hyped criticisms that portray it as fundamentally unjust. It seeks not to vindicate its normative propositions by imposing the same model onto other states, as the United States and the West have, in the Middle East and beyond.[188]

In truth, there is not much for China to gain from exporting its distinctive governance model. In fact, it is plausibly in its interest to keep its recipe for success to itself. Those charging that China is exploiting its governance model as a source of soft power may well be over-reading into Chinese behaviours through, unjustly, the lenses that the West tend to apply to describing and analysing its own behaviours and characteristics.

5.3 Transitioning to the Present…

China's rise is a rather remarkable phenomenon in many ways – the pace at which its economy has grown, the extent to which the quality of life and average income of its citizens has increased, and, indeed, the political clout and stature it has gained on an international setting, over the past decades, all attest to the country's rather astounding achievements in certain spheres. Yet with its rise has also come unique challenges – challenges ranging from the environmental to the social, from its political institutions to the extent to which its economic growth is, if at all, sustainable, given its demographic circumstances. Whilst the productivity slump and demographic crunch should not be overstated and exaggerated, these have been and remain critical challenges that the nation must confront.

[188] https://www.newsdirectory3.com/italy-releases-research-report-on-xinjiang-issues-the-u-s-seeks-geopolitical-benefits-in-the-name-of-human-rights-blog-post/

Finally, irrespective of its successes or limitations, it behoves the world to take seriously the fact that China's political system does not work in ways that mirror or reflect exactly the West's – and such divergences should be celebrated, as opposed to castigated; should be understood, not dismissed; should be embraced where there exists room for synergy, but critically scrutinised and guarded against, where there exist reasonable concerns for others. No country is perfect, and the international community must learn to appreciate the strengths and merits of any political system, whilst being capable of critically appraising and discussing its flaws, especially when speaking about a country that has arisen from an ancient civilisation and presides over 1.4bn people. Only through well-intentioned, informed debate, could improvements to its governance be made. It would be naïve, indeed, to think that China itself is not actively engaged in and aware of such critiques internally. Having established a picture of the country's past, this paper shall now turn to discussing the China of today.

5 A Force for Good to the World?: Benefits, Setbacks, and Challenges

"What did the Chinese do for us?" – Monty Python gave us a classic, and it would be a waste to not ask the million-dollar question as such: much ink has been spilled on China's achievements, but what has China done for the *world* at large? How should China's accomplishments be assessed, through the lenses of and contributions towards the world at large?

6.1 Benefits

A substantial proportion of China's population has been lifted out of poverty – indeed, per the World Bank's definition of "extreme poverty" [189] as denoting individuals living on less than $1.90USD a day, the Chinese government has all but eliminated extreme poverty in the country – with 850 million Chinese lifted out of poverty over the past four decades.[190]

Yet beyond its domestic successes, the rise of China has also introduced substantial benefits to the world. In making sense of China's impact on the world, two preliminary points must be noted: the first is that many amongst the following benefits are *universal and widespread* – contrary to popular expectations; even countries that are not the intended or direct beneficiaries from China's rise, have found themselves buoyed and aided by the economic rise and achievements of the country; the second is that despite this, not all of the dividends are evenly distributed amongst the international community – there inevitably will be countries that have gained more from China's ascent, than others. Whether such

[189] https://www.worldbank.org/en/news/feature/2016/06/08/ending-extreme-poverty
[190] https://www.worldbank.org/en/country/china/overview

asymmetries are inherent in the nature of the country's rise, or can be adjusted and transformed through focussed reforms, remains an open question.

6.1.1 A low-cost "factory to and *of* the world"

China has emerged to become the largest manufacturer and an economic powerhouse steering the world's growth over the past decades. With a substantial population and largely affordable, economical wages (at least, in the first two decades or so since its initial economic opening-up), China has emerged as the default choice for locations for labour-intensive and capital-intensive industries alike: the former, due to the willingness of Chinese workers to work extended shifts for low wages, as well as the abundant supply of readily trained and skilled workers; the latter, with the substantial levels of savings and capital within the Chinese markets.

Additionally, relatively liberal labour regulations and selective enforcement of regulations concerning labour rights, environmental externalities, and producer quality controls, has meant that firms can often cut corners when it comes to producing in China: whether such corner-cutting is ethical or sustainable, remains to be seen. Yet such loose restrictions, coupled with China's significant talent pool and low taxes for exported good, have enabled China to evolve into a preeminent hub for secondary-sector companies – including both domestic firms, and international firms that have been put off by rising costs and difficulty of doing business in the "developed world".

Recent years have seen China undertake further reforms in rendering its production sector more accessible and amenable to foreign capital – whether it be through lifting restrictions on automobile *production* for foreign firms; stepping up enforcement of intellectual property rights to ensure smooth technological

innovation and transfer within the country, or reducing barriers to entry for manufacturers from developing nations. [191] China was the world's leading exporter and second largest importer in 2018.[192] When it comes to instrumental goods and products manufactured by China, the country is now the world's largest producer of aluminium and steel, as well as solar panels (since 2008).

Some figures would help in grounding the above. Historically, China contributed 14% to global economic growth between 1980 and 2000, against 20.7% from the United States and 7% from Japan.[193] China's contribution towards global trade growth was 4.7% for the same period, as compared with 14.4% for the United States and 6.9% for Japan. The latest estimates by Bloomberg suggest that in the post-COVID era, China's growth is set to contribute over 1/5 of the total increase in the world's GDP, from 2021 to 2026.[194] To put China's ascent into perspective, when Hong Kong was officially returned to China in 1997, the city's GDP was more than 18% of that of Mainland China's.[195] The figure in 2014 was down to 3%, with further declines since.

As other developing economies emerge to offer comparable, if not cheaper, labour costs as compared with China, some have expressed reservations concerning China's prospects as the "world's factory" – yet such worries are very much over-stated. Chinese labour remains significantly cheaper than labour in most advanced, industrial states; additionally, the extensive roster of institutional advantages above suggests that China has much more to offer to prospective producers, than just its labour alone.

[191] https://link.springer.com/article/10.1007/s11575-020-00433-8
[192] https://www.worldbank.org/en/country/china/overview
[193] http://www.chinaconsulate.khb.ru/rus/zgzt/xwbd/t118092.htm
[194] https://www.bloomberg.com/news/articles/2021-04-06/china-s-growth-set-to-drive-world-economy-in-post-pandemic-years
[195] https://www.vox.com/2014/9/28/6857567/hong-kong-used-to-be-18-percent-of-chinas-gdp-now-its-3-percent

6.1.2 A substantial consumer market for international businesses and trade

China has provided a critical consumer market for international businesses and trade, having served an instrumental role in driving the world's economic recovery post-2008. The country offers a significant consumer market for international firms and countries alike.

Since China opened its market in 1978, the total volume of export in the world has steadily increased – rising from $2050bn USD in 1980 to $19500bn in 2018. Whilst obviously, not all of such growth could be attributed to China, China's role as a leading global consuming nation cannot be overstated. In 2019, China was the largest export destination for 33 countries, and the largest source of imports for 65. More specifically, China offered a substantial market for resource-intensive and technology sectors, through the large number of high-end manufacturing firms concentrated in leading cities such as Shenzhen and Shanghai.

To visualise the organic growth of China's consumer base more effectively, consider the following: China's consumer spending was $180bn USD in 1990, climbing to $5.59tn USD by 2019. Per capita spending has also risen significantly, from $452USD per capita in 1995, to $3,327 in 2019. [196] These trends are indicative of a rapidly expanding, and hitherto largely unsaturated consumer market – they must also be viewed alongside statistics concerning China's middle class.

The Chinese middle class has grown substantially over the past decades. In 2000, China's middle class amounted to approximately 3% of its population. Current estimates put the size of China's middle class at over 700m people – roughly 50%

[196] https://www.macrotrends.net/countries/CHN/china/consumer-spending

of the country's population.[197] As even the country's rural areas gradually enter the *'xiaokang'* – e.g. moderate affluence – phase, the Chinese consumer market is anticipated to expand beyond urban centers. Poverty alleviation, with drastic annual reduction in poverty rates, has certainly accelerated the process and amplified the economic benefits brought about by China's demographic dividend.

6.1.3 A vital source of developmental aid, trade, and capital for developing countries

China has been a critical source of developmental aid, trade, and investment to developing countries. Where the West has failed the developing world, China has offered an alternative source of capital with considerably fewer ideological and political strings attached, and a heightened degree of flexibility and freedom that – whilst by no means the product of ostensible altruism – has sought to reconcile and align Chinese interests and the interests of these developing countries. Indeed, in Mao Zedong's own nomenclature, China was to view "Asia-Africa-Latin America" – members of Mao's "Third World" – as allies and friends in their ongoing struggle against members of the imperialist "First World". Whilst the Three Worlds Theory is no longer as germane as it was fifty years ago in explaining China's foreign policy outlook, the underlying ethos remains – to China, political goodwill and reciprocated trust from members of the Asia-Africa-Latin America axis are more important objectives than securing narrow economic gains.

It is hence on this basis that interpretations and appraisals of China's international development/humanitarian aid efforts, trade and economic policies, and capital/investment into overseas territories should be established. On the subject of aid, whilst China's 'Official Development Assistance' (ODA) aid was only

[197] https://chinapower.csis.org/china-middle-class/

similar in size to that of Canada (roughly $4.4bn in 2018), China has placed a significant emphasis upon offering indirect aid through loans and development finance. Between 2000 and 2014, China gave $75bn and lent $275bn aid to other states, as compared with the $424bn offered by America over the same period;[198] 45% of the country's 2009 aid was directed towards African states[199] - the same proportion of Chinese foreign aid throughout 2013-2018 went to Africa.[200] What is particularly noteworthy is that on the contrary to popular (mis)conceptions, much of this aid was not offered *to the exclusion of* alternatives: many of China's beneficiaries continued to receive aid and developmental assistance from America and the World Bank.[201]

As for commerce, Chinese trade with developing countries has steadily increased throughout the past decades. In 1986, developing countries purchased about 15% of Chinese exports – predominantly the country's agricultural and light industrial products – and supplied 8% of China's imports.[202] China has steadily increased trading ties with Central/Northern African states – e.g. Chad, Sudan, and Congo – as a means of accessing critical natural resources, e.g. oil and minerals. Total trade between Africa and China was $1bn USD in 1980, steadily increasing to $10bn USD in 2000, $39.7bn USD in 2005, and $220bn USD in 2014.[203] Chinese trade has both opened up vast economic opportunities and consumption terrain for African firms, as well as offered African firms and consumers access to goods uniquely offered by China. More fundamentally, trade has been pivotal as a means of uplifting many in Africa from poverty – despite structural barriers that persist to this very day, including corruption and infrastructural deficiencies.

[198] https://www.aiddata.org/data/aiddatas-global-chinese-development-finance-dataset-version-2-0
[199] https://www.bloomberg.com/news/articles/2011-04-21/china-gives-almost-half-of-foreign-aid-to-african-countries
[200] http://www.sais-cari.org/data-chinese-global-foreign-aid
[201] https://www.theafricareport.com/57044/china-africa-top-10-issues-going-into-2021/
[202] Kastner, Scott (December 24, 2014). "Buying influence? Assessing the political effects of China's international trade". Journal of Conflict Resolution.
[203] https://eurasiantimes.com/china-africa-trade-relations/

Finally, with ventures such as the AIIB, and BRI, China has substantially increased investment flows into Central Asian, Southeast Asian and African countries, providing much-needed stimulus and seed funding for domestic infrastructural projects.

China was the world's second largest source of outbound FDI from 2015 to 2017. The Chinese Eximbank has provided governments in developing countries with low-rate loans and associations with existing Chinese companies, which supplied both capital and skills for the development or reconstruction of local infrastructure and offshore stations that met the interests of both China and its international partners. For concessional loans, the bank has historically supplied no-interest-rate and low-interest-rate loans to developing countries, with terms of up to 20 years and grace periods of 7 years. Such loans come with relatively low interest rates and minimal regulations – the upside of which is that countries find it substantially easier to access these loans than European counterparts; the downside of which is that the quality control – at times – could well be lacking.[204]

6.1.4 A key, constructive player in responsible global governance – especially on issues pertaining to international security and public health

China's ability to influence and shape the decision-making processes of multilateral institutions has indisputably increased over the past decades. Yet what is often neglected is the positive benefits on fronts of stabilisation, diversification, and increased egalitarianism within such institutions that China has induced. In reflecting upon the constructive role played by China in molding dynamics in these structures, it is imperative that three different perspectives be

[204] http://www.europarl.europa.eu/RegData/etudes/note/join/2011/433862/EXPO-INTA_NT(2011)433862_EN.pdf

considered: firstly, on questions of progressive reforms to multilateral institutions; secondly, on questions of how China has delivered or helped these structures deliver on critical issues, such as international security and public health; finally, on how China has succeeded in fostering alternative, albeit not necessarily detached, institutions through which both developed and developing countries alike can benefit.[205]

When it comes to established multilateral institutions such as the WTO, the IMF, the World Bank, and the Paris agreement, China has largely lived up to its commitments and pledges, though has come under attacks in certain quarters for its alleged inability to take on the greater responsibilities associated typically with developed countries.[206] Yet such a characterisation neglects the extent to which China has sought to advance reforms and restructuring within these organisations in a way that favours countries that are historically left out of an American-led order – many of these states can be found in Europe, specifically smaller- and medium-sized nations within the European Union that have been long-neglected by the Anglo-American axis of power in these institutions. In 2016, Chinese Finance Minister Lou Jiwei stressed the need for structural reforms in IMF and World Bank to spur global economic growth [207] - such reforms ought to promulgate the transfer of more development resources to low-income countries in poverty reduction and ownership-centric development; additionally, China had repeatedly called on the World Bank to step up cooperation with middle-income and mid-sized economies (two distinct sub-groups) across, respectively, Latin America and Southeast Asia, and Mediterranean and Eastern Europe, in advancing much-needed domestic structural reforms.[208]

[205] https://www.uscc.gov/sites/default/files/Research/TheEvolvingRoleofChinainInternationalInstitutions.pdf
[206] https://www.brookings.edu/articles/reluctant-player-chinas-approach-to-international-economic-institutions/
[207] https://www.scmp.com/comment/insight-opinion/article/2018461/chinas-calls-reform-world-bank-imf-and- adb-cannot-be-ignored
[208] https://www.imf.org/external/am/2015/speeches/pr29e.pdf

On matters of global importance ranging from security and counter-terrorism and public health, China has played an instrumental role as a collaborator and partner to the United States and Europe. China had stepped up – in the aftermath of the 9/11 tragedy – to become one of America's most reliable and committed partners in preventing and tackling terrorism – from supplying political and economic backing to U.S.-led/advocated international peacekeeping efforts in the United Nations, to offering material support to counter-insurgency units in South and Central Asia. China has also worked closely with America in pressing for more transparency and accountability in Pakistan's nuclear technology, and in liaising between the West and North Korea on the latter's nuclear missiles programme. The Bush administration acknowledged China's contributions towards counter-terrorism at numerous Six-Party Talks on North Korea's nuclear weapons (2003 to 2007). More recently, China and the US have stepped up to greater cooperation and efforts in counteracting the threat from lone-wolf and organised terrorism, with the former manifesting through improvised explosive devices, and the latter through entities such as the now-near-decimated Islamic State (ISIS).[209]

Chinese commitment to global health has substantially increased over the past decade, with frameworks for collaboration with African (cf. FOCAC) and Latin-American (cf. via BRICS) states consistently incorporating health cooperation and exchange in their remit. The 2017 Joint Communique of The Belt and Road Health Cooperation and Health Silk Road set out substantive means through which China sought to work with other countries along the Belt and Road, in tackling pressing challenges to global public health.[210] Further back in time, China had stepped up its transparency and openness in sharing substantial volumes of data – in the aftermath of the SARS outbreak in 2003. Despite recent

[209] https://www.iris-france.org/wp-content/uploads/2017/12/Asia-focus-56.pdf
[210] https://globalizationandhealth.biomedcentral.com/articles/10.1186/s12992-020-00569-0

upheaval and politicisation of the ongoing efforts in combating COVID-19, China remains a reliable source of medical and health technology and information that would only be of increasing importance as the world's overpopulated planet seeks to navigate the biohazards associated with the modern age.

China's conception of multilateral and international engagement has by no means been limited to only established institutions. China has been a key advocate of collaboration and synergy within international entities such as the G-20 (Group of Twenty – featuring EU and 19 other countries) and BRICS (Brazil, Russia, India, China, and South Africa). China has sought to work with other members of G20 in opposing trade protectionism, advancing low-carbon economic reforms that address issues arising from global climate change, and to offer a new, reformed global financial order that is more equitable and accessible for parties that have historically been excluded from the Washington Consensus – including, of course, European states that have yet to reap the gains (in full) from their European Union membership. [211] It is worth noting that from the Chinese perspective, its increased engagement with such institutions was never conducted with the intention of supplanting them – indeed, the whole point of its offering economic concessions and benefits to prospective allies, is to consolidate its presence and ability to leverage upon these institutions, as opposed to dismantling them. This point should be relatively apparent given the above.

6.1.5 A critical engine of technological and scientific research worldwide

China's technological growth has been propelled by four trends in its history – a significant population and source of human capital, a job market that has operated on largely meritocratic grounds post-liberalisation, a substantial inflow of diaspora scientists returning from overseas universities and tech giants, and

[211] https://www.jstor.org/stable/pdf/23033751.pdf?refreqid=excelsior%3Ab9e0c31e222c5fb7d32a9de2d39ef9b2

extensive investment into science by the administration. [212] Consequently, the four decades post-Deng Xiaoping have seen China evolve to become a hub for technological research and innovation across the world.

Multinational corporations have been encouraged by the Chinese government to create R&D centers in China, which roped in domestic Chinese talents in producing patented products and cutting-edge research. In 2010, China had 1,200 such R&D centers, with 400 out of the 500 Fortune 500 companies having established such centers in the country.[213] Now, a perennial question remains as such – to what extent do the products of scientific research conducted in China "spill over" in enriching the world at large? Valid questions can indeed be asked over the extent to which Chinese research findings are accessible and utilisable by the world: what benefits the Chinese population may not benefit the rest of the world, as some skeptics posit.

In response, the international community would benefit from looking at some hard numbers. Whilst the science and engineering (S/E) workforce in America remains significantly ahead of China's, the reverse can be observed for the number of bachelor's and doctoral S/E degrees awarded by China and the US: since the early 1990s, China has awarded substantially more S/E bachelor's degrees to undergraduates than the US, and in the mid-2000s, China overtook the US in terms of the number of S/E doctoral degrees awarded. Combining the two sets of data yields the following observation: throughout large swathes of the past four decades, China has been a net exporter of scientific and technological talents to the rest of the world. Whilst recently introduced programmmes such as the "*Qianren Jihua*" have sought to recruit top-tier talents in returning to China, such

[212] https://www.pnas.org/content/111/26/9437

[213] https://web.archive.org/web/20130102190020/http://www.uscc.gov/researchpapers/2011/USCC_REPORT_China's_Program_forScience_and_Technology_Modernization.pdf

progammes are – by and large – in the fledgling stages; many Chinese scientists and engineers enjoy working abroad, even notwithstanding the souring relations between China and certain countries, as well as the bellicose rhetoric with which members of the Asian diaspora have been targeted throughout past decades.

More generally, China has been a critical hub of technological and scientific knowledge – publicly disseminated through journal articles. China had been the fastest-growing country in terms of article productivity, with an annual growth rate in *quantity* of articles by 15.4%, and a continued increase in average citation numbers – indicative of the *quality* of research - between 1990 and 2011.[214] More recently, in the 2010s, the research and science/development sectors in China have continued to consolidate their competitive edge over other leading states in the world – in industries such as artificial intelligence (A.I.) and nanotechnology, Beijing is racking up an increasingly impressive and apparent lead over its Western counterparts.[215] Chinese research in spheres ranging from aerodynamic sciences to pharmaceuticals, from engineering to bio-technology, has played an invaluable role in expanding the knowledge base across the world – especially for nations that have conventionally been locked out of academic and epistemic structures in both research inputs and outputs. Looking ahead, China is likely to make substantial contributions in fields such as Artificial Intelligence (A.I.) and environmental technology. Both China and the rest of the world alike would benefit from further collaboration and synergy.

[214] https://www.pnas.org/content/pnas/111/26/9437.full.pdf
[215] https://www.forbes.com/sites/bernardmarr/2021/03/15/china-poised-to-dominate-the-artificial-intelligence-ai-market/

6.2 Challenges

Yet China's contributions to the world have also been hindered by its fair share of setbacks and risks accompanying its rise, which must be taken seriously by China and the rest of the world alike. Some amongst these surfaced in the past and have been resolved subsequently; others remain unresolved, and could well threaten to not only undo China's progress and the goodwill it has accumulated, but also the advances and improvements made by the world at large over the past 40 years.

Set aside the question of present-day challenges and risks for now (we shall return to them in Part II below); the following comprises problems that had arisen over the past forty years, and that have nevertheless received at least a significant volume of attention and redress on the part of the Chinese state and society at large. This is not to say that these problems have been fully resolved – but they must be differentiated from the nascent, up-and-coming challenges that this paper shall address later.

6.2.1 Socioeconomic inequalities and divisions

Alongside a significant number of opportunities, the post-Mao Zedong era of economic reforms also brought along a plethora of socioeconomic problems to China – amongst which, no less, is the exacerbation of the long-standing rural-country divide, and the amplification of socioeconomic inequalities at large. Estimates by scholars in 2014[216] suggested that China's Gini Coefficient (which measures the proportion or extent of deviation of a country's income distribution from a perfectly even distribution (where everyone earns the same income))[217]

[216] https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4024912/
[217] https://data.oecd.org/inequality/income-inequality.htm

rose from 0.30 in 1980 to 0.55 in 2012, far exceeding the equivalent score in the US of 0.45. Other estimates suggest that China's Gini Coefficient peaked at 0.491 in 2008, declining precipitously to a trough in 2015 (0.462) before picking up gradually again (see Fig. 7).[218]

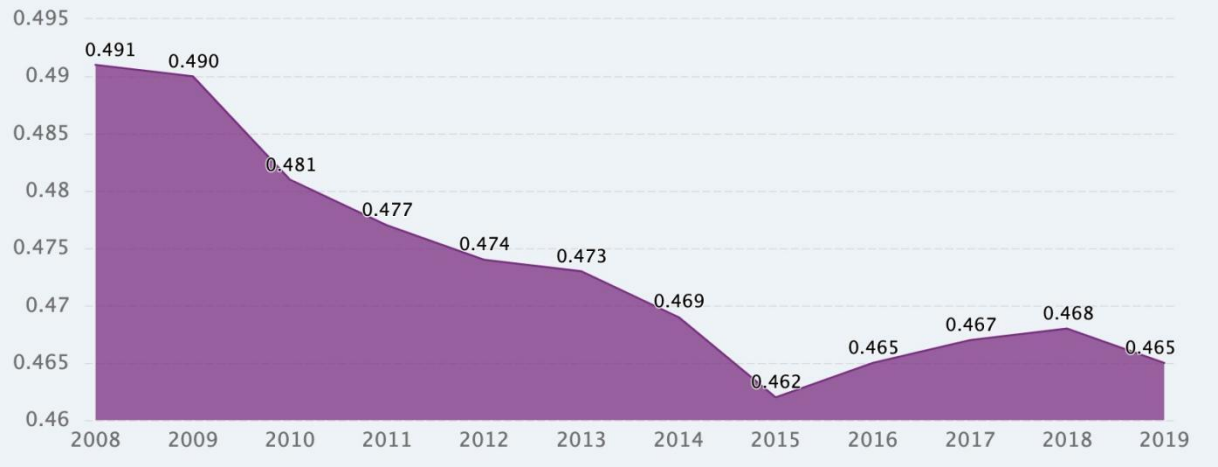


Fig. 7 – Gini coefficients of China between 2008 and 2015[219]

Whilst the country had made substantial progress in eliminating absolute poverty, it remained the case – throughout most of the '90s through to the early '10s, that there existed vast disparities between individuals residing in lofty, hyper-modernised Central Business Districts in major coastal cities, and those who inhabited the underdeveloped inland countryside. Whilst we must take stock of the progress and improvements made by China over the years in eliminating poverty, it is equally imperative that we are cognizant of the predicaments and challenges it has overcome in the past. The following section addresses some of the problems and solutions presented by the Chinese state, in response to the prevalent inequalities throughout the earlier days of its era of economic reforms.

[218] https://www.ceicdata.com/en/china/resident-income-distribution/gini-coefficient
[219] https://www.ceicdata.com/en/china/resident-income-distribution/gini-coefficient

Some of these problems may no longer apply as descriptions to present-day China – understanding them remains critical.

The primary and foremost cause of inequalities in post-1980s China consisted of the heavy concentration of developmental policies and capital in urban areas and major cities. The 1980s and 1990s, state investments predominantly prioritised urban areas, favouring redirecting capital into infrastructure and production in clustered urban regions – which housed approximately ¼ of the country's population. Deng's adage, "Let some people get rich first", was taken to be a directive that authorised a heavily city-centric developmental approach, with heavy-industry and agricultural development disproportionately skewed towards cities with more fertile land and concentrated capital for rapid industrialisation. The disparities in access to infrastructure, the network effects and economies of scale uniquely associated with highly concentrated and saturated production economies in cities, as well as the relatively advanced quality of life in cities, all contributed towards a disparate disjunction between cities and countryside, with most factors of production and downstream economic gains accruing to the former. The absence of a fully functional, legally regulated land market in the rural countryside (which prohibited farmers from capitalising upon lands they had held), as well as the strict Hukou systems that effectively bound individuals to their birthplaces, cumulatively caused further deterioration in the early 2000s.[220] This was in turn self-reinforcing – firms, businesses, investors were attracted disproportionately to the cities, where consumer markets were readily available and willing to expend; capital flight from the countryside, especially Central China, further deprived residents of rural areas of their capacity to climb the "social ladder".

[220] https://docs.lib.purdue.edu/cgi/viewcontent.cgi?article=1027&context=gtapwp

A study suggested that over 10% of China's total inequality, as of 2014, could be attributed to the urban-rural gap.[221] Urban-rural disparities can be considered a primary undergirding cause for aggregate inequalities, for two reasons: firstly, they had long been entrenched since the early days of the People's Republic, with the countryside suffering considerably more under the mass atrocities and turmoil of the Great Leap Forward[222] and the Cultural Revolution[223]; secondly, there existed substantial path-dependency in the lives of rural migrants, who – due to their places of birth – found it incredibly difficult to seek job opportunities that could lift themselves up into the class above bare subsistence. The primary sector – especially under mechanisation of labour and the expansion of conglomerates – was neither lucrative nor viable as a means of social uplifting, even under the market reforms introduced by Deng. The urban-rural divide also amplified the effects of other causes of inequalities, such as the inland/costal divide, and education/human capital disparities across regions in China.

A second, and precipitously significant factor, comprised the inland-coastal inequalities that permeated China in the 1990s and early 2000s. A 1999 paper suggested that whilst the contribution of rural-urban inequality remained dominant amongst all causes of China's inequality, the inland-coastal contribution had become increasingly important throughout the early to mid-1990s. Income in coastal provinces more than tripled between 1989 and 2004, whilst the income in inland provinces merely doubled.

The inland-coastal dichotomy itself was the product of asymmetrical distribution of actual power that favoured cities and provinces with historically entrenched economic wherewithal and longstanding political capital – e.g. Guangdong (the

[221] https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4024912
[222] https://www.jstor.org/stable/1973026?seq=1
[223] https://chinachannel.org/2019/06/17/out-of-the-gobi/

most populous province in China), Shanghai (with its legacy and background as one of the most international and business-friendly cities in the country), and Fujian (another coastal province). Such disparities were exacerbated by reform-era policies that favoured cities that could readily engage in trade via shipping routes – amongst other forms of economic activities to which coastal regions were distinctly suited. The inland-coastal divide, alongside the aforementioned Hukou system, once again contributed towards the clustering of economic growth in highly developed and sophisticated coastal cities, as opposed to the inland.

A subsidiary factor constituted the education level-induced disparities in the country. The Chinese public place a distinct and substantial emphasis upon academic credentials and qualifications – as an indicator or proxy for ability, and, beyond that, credibility. Disparities in access to education not only undermined the ability of the poor and disenfranchised to accrue the necessary knowledge and accreditation, it also prevented them from developing the quintessential networks and connections to escape their socioeconomic circumstances. Disparities in education levels compounded urban-rural and inland-coastal divides, in prying multinational conglomerates and foreign investors away from the countryside and to the cities, where the citizens were and remain more likely to be better-educated on average.

On a broader note, a highly unequal and divided China would threaten to place an acute bottleneck on the engines of growth in the country – frustrating both foreign companies' efforts in their search for a stable, reliable, and continuously expanding consumer market, and the Chinese administration's vision that with more of China urbanised and modernised as prospective "money for taking", there would be greater incentives on the part of wavering states to engage China in bilateral trade and civil society exchanges. A more egalitarian China would benefit all in the world – it would also pave the way for a more politically stable

and consolidated government, with minimal domestic insurgency and sociopolitical instability.

Indeed, Beijing had undertaken active efforts – since the early 2000s – to correct course on the matter. From subsidising education and industrial development in the countryside and inland areas, to facilitating smoother and easier rural-to-urban migration and remittance of income via relaxed Hukou restrictions, to redirecting capital to medium-sized and small cities [224] , the Chinese administration has undertaken active steps to quell inequality – though the extent to which it will succeed, remains to be seen.

6.2.2 Environmental pollution

China's rise has also produced substantial costs for the country's environment – both in terms of environmental degradation, and with respect to China's greenhouse gas emissions. Whilst the former's consequences have remained largely contained within the borders of the country (with the exception of acid rain and marine life depletion), the latter has had apparent spillover consequences – though it must be noted that such costs must be compared with and situated in the context of the voluptuous historical emissions by countries in the West. In any case, China's environmental decline had been a highly salient and urgent issue in the country throughout the late 1980s, 1990s, 2000s, through to the early days of Xi's tenure – only then, were measures aimed at tackling the environmental crisis (as later discussed) finally rolled out.

China's environmental quality rapidly deteriorated under its heavy industrialisation. Per the Chinese Ministry of Health, by 2007, industrial pollution had rendered cancer China's leading cause of death; ambient air pollution alone

[224] https://en.wikipedia.org/wiki/Income_inequality_in_China#cite_note-19

killed hundreds of thousands, impairing the productivity of even more citizens. 500 million people[225] in China lacked access to safe and clean drinking water, as a result of contamination by factories who released – illegally, in violation ofill-enforced laws – toxic and biohazardous waste into rivers and streams. The sulfur dioxide and nitrogen oxides generated through industrial activities (including, the burning of coal) had produced copious volume of acid rain, which had spread beyond the borders of China into Korea and Japan. An unpublished internal report by the Chinese Academy of Environmental Planning (in 2003) suggested that up to 300,000 people died each year from air pollution, mostly due to cardiovascular and pulmonary diseases.[226]

It must be recognised that China has made substantial attempts to tackle air pollution over the past decade. Average Particulate Matter (PM) 2.5 concentrations decreased by a third between 2013 and 2017 across 74 cities. Beijing recorded a record-low PM2.5 score in August 2019, and is no longer amongst the top 200 most polluted cities in the world.[227] The Chinese government had introduced aggressive afforestation measures and promulgated a rapid transition to electric vehicles, which led to a substantial decline in the emissions of exhaust gases and other pollutants in the production process of diesel cars.

China nevertheless remains afflicted with an incredibly urgent waste problem. China's largest dump – the Jiangcungou landfill in Shaanxi Province – reached saturation in 2019, 25 years ahead of schedule. In 2017, China collected over 215 million tonnes of household waste in urban areas, up from the 152 million in 2007.[228] The actual figures would be much higher if rural waste were included –

[225] https://www.scmp.com/news/china/science/article/2166542/air-pollution-killing-1-million-people-and-costing-chinese
[226] https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2799473/
[227] https://www.iqair.com/china/beijing
[228] https://www.bbc.com/news/world-asia-50429119

indeed, China produced 300 million tonnes in total in 2012, across rural and urban areas combined. Attempts to regulate electronic waste have been panned for the difficulty of enforcement and policing those who deviated from the norms. Whilst China had previously pledged to recycle 35% of waste in major cities by the end of 2020[229], the jury is still out over whether such pledges and policy commitments have in fact succeeded.

Finally, on the question of greenhouse gas emissions. China had historically relied predominantly upon coal as the primary source of energy. Bouts of surges in coal demand since 2001 attest to the fact that it would be incredibly difficult for the country to wane off the fuel, despite the fact that peak production of coal is anticipated to occur anytime between 2016 and 2029.[230] Furthermore, China has indeed been the world's largest emitter of CO_2 since 2006 – in 2019, China is estimated to have emitted over a quarter of the world's greenhouse gases, followed by 11% by the USA, and 6.6% by India. Such numbers should nevertheless not be taken as indicative when it comes to the level and degree of emissions - after all, China's per capita emissions remain substantially lower than the US – the per capita emission in 2019 was 10.1 tonnes, as compared with the US', which was 17.6 tonnes per capita. China is by no means the sole or major producer of greenhouse gases in the world's history, and discussions of its environmental track record ought to reflect this fact.

The Chinese government recently declared that it would aim to reach peak emissions before 2030, and carbon neutrality by 2060. The ambitiousness of these goals is apparent – yet, should China indeed succeed, it could well serve as an exemplar and precedent for others to follow.

[229] https://multimedia.scmp.com/infographics/news/china/article/3038540/china-waste-sorting/index.html
[230] https://www.osti.gov/biblio/1050632

6.2.3 Corruption and political inefficiencies

Corruption has long been and remains amongst the most odious problems prevalent in China since the country's establishment in 1949. Corruption permeates all levels of administration, ranging from the local and provincial, to the national and central administration. Commentators have attributed China's corruption to the "organisational involution" – the habitus cultivated amongst a new crop of nouveau riche and newly promoted cadres [231] , triggered by the enormous dividends derived through the country's economic liberalisation. Throughout the late 1980s to the early 2010s, corruption had remained at the top of the list of priorities and items of concern for the general public.

Setting aside normative qualms, on a purely consequentialist level, corruption has been to the detriment of the ruling party. In 2007, Minxin Pei estimated that the economic toll of corruption amounted to at least 3% of China's national GDP.[232] In late 2006, almost 25% of surveyed business executives rated their local officials' integrity as "bad", with 12% remarking that they were "very bad". Officials regularly engaged in bribery, kickbacks, theft, and squandering or siphoning off public funds – as means of entrenching their political control, building long-standing rent-based networks, and lining their own pockets.

Corruption in China plays out in predominantly two forms – incidental and embedded. Incidental corruption denotes instances of corruption that involve blatantly and apparently criminal behaviours, such as bribery, scam, extortion, theft, forced expropriation of land. On the other hand, embedded corruption was

[231] Xiaobo Lii, cf. 中港政治的內卷化
https://news.mingpao.com/pns/%E8%A7%80%E9%BB%9E/article/20201211/s00012/1607624846139/%E7%AD%86%E9%99%A3-%E4%B8%AD%E6%B8%AF%E6%94%BF%E6%B2%BB%E7%9A%84%E5%85%A7%E5%8D%B7%E5%8C%96-%E6%96%87-%E8%91%89%E8%94%AD%E8%81%B0
[232] http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=19628

far harder to detect, manifesting through pork barrel politics, policies and planning decisions that favoured (covertly) particular interest groups and parties, and the offering of (dis)favourable business conditions to aspirant businesspersons. Straddling both kinds of corruption were behaviours that existed in the 'twilight zone' of the law – e.g. forced evictions caused by party cadres' (legally ambiguous) purchasing of siphoned-off housing as a means of bribing senior housing officials.[233]

Not all corruption was "equal" in their damage. Some forms of corruption were more deleterious than others. Corruption studies expert Yuen Yuen Ang noted that "the right kind of corruption" had been pivotal in spurring China's growth, from incentivising party officials to accept the transition to a market economy, and – on a more granular level – engage in activities that maximised economic gains for *all*. The practice of corruption required there to be *something* to embezzle, to steal, to *profit off* – thus a modicum of corruption, Ang argued, was quasi-necessary in facilitating China's smooth transition into a post-Mao Zedong economic model. An over-zealous castigation of corruption could well cause us to overlook its necessity – especially in a rapidly liberalising and reforming country that had freshly emerged from decades of sustained political turbulence.[234]

Yet corruption, by and large, posed substantial problems for China. Corruption had become increasingly concentrated in state-controlled sectors, especially towards the early 2000s. Substantial costs arose from corruption – directly and indirectly impairing economic growth, usually through the gross inefficiencies of money spent towards bribery, as opposed to productivity-boosting policies and

[233] https://www.ft.com/cms/s/0/8642412e-7aee-11df-8935-00144feabdc0.html
[234] https://sites.lsa.umich.edu/yy-ang/wp-content/uploads/sites/427/2020/06/Interview-in-The-Wire-China-2020-FINAL.pdf

plans. Behaviours exhibited by corrupt officials, such as illegal land exproporiation, seizure of civilian assets and property, and blatant transgression or defiance of anti-embezzlement regulations, had – in the past – vastly undermined public buy-in and support for local and provincial officials.

The uncertainties induced by corruption impeded growth in foreign investment, as well as exacerbating the undue influence of party cadres and administrative officials over the economic structures and fields of competition under their jurisdictions. Capital flight left sectors and economic spaces bereft of capital, as corrupt officials often transferred their gains to offshore accounts in Hong Kong and beyond. Illegal embezzlement and transfer of cash also abetted criminal elements – e.g. gangs and triads, who benefited off being able to bribe police and judiciary officers.

Since Xi's rise, however, corruption has been tackled head-on, with a heavy emphasis upon transforming and regulating the lifestyles and practices of party members – with focus centered around enforced thriftiness and frugality, minimisation of fraternisation and socialisation, and crackdowns on conspicuous consumption. Officials have been instructed to shift from an extravagant, profligate lifestyle, towards one in which they eschew luxury. Xi has also spearheaded and overseen crucial drives combating systemically rooted corruption on grassroots levels, in forms of both prosecuting and dismissing corrupt officials, and augmenting the remit and powers of investigative committees and taskforces charged with overseeing disciplinary matters within the party.[235]

[235] https://sites.lsa.umich.edu/yy-ang/wp-content/uploads/sites/427/2020/06/Interview-in-The-Wire-China-2020-FINAL.pdf

6.3 China's Rise – Our Assessment

In sum, this paper submits that China's rise should be read through the framework of *unbounded opportunities* and *bounded costs*. The costs to China's ascent are apparent – whether they stem from innate weaknesses in the Chinese political system, contingent flaws and mistakes made along the way as China evolved and grew, or the precarious power equilibrium that characterises how the nation interacts with other states as it rises. These costs are also relatively *clear* and *containable* – both in terms of resolutions that address their roots, as well as ameliorative measures that reduce substantially the level of uncertainties and risks posed by their existence. In short, the downsides can be predicted, managed, and curtailed – the probability of a 'black swan' arising out of China's rise is by no means zero, but is certainly comparatively trivial. From environmental pollution to corruption and political intransigence, the Chinese administration itself has every incentive to curb these problems – on these fronts, the incentives of China, and the world at large, are most certainly aligned.

In contrast, China's rise offers the world *unlimited potential*, whether it be in engaging with China as the prospectively largest consumer market in the world; in drawing upon Chinese talents and innovation in plugging much-needed gaps in terms of goods and produce; in tackling shared challenges ranging from climate change, public health disasters, to international terrorism. Chinese migrants, academics, and technicians play a pivotal role in driving forward innovation across the world. They also serve as valuable, important voices to platform and feature in an increasingly globalised world, as national and cultural boundaries blur and dissolve.

This is not to say the challenges and risks brought about by China's rise ought to be neglected – indeed, far from it. If China and the world are to collaborate, are to work together, it behoves all parties – China included – to resolve the differences and deleterious effects that its rise has and continues to generate. To ignore these pitfalls; to dismiss them as unwarranted – even where they are well-substantiated and -evidenced, would be foolish and counterproductive in the world's pursuit of a better, shared future. Furthermore, it also behoves the world to understand how the Chinese political system works, in order to effectively liaise with and engage it. It is to this question, that this paper now turns.

6 China and the World: On Its International Image and Relations

China's growth has been accompanied by a corresponding increase in its affiliation, interaction, and engagement with the world at large. A robust understanding of Chinese politics cannot be decoupled from how the country views itself in relation to the international community, as well as how the latter perceives and approaches China.

Indeed, one of the most common mistakes undergirding attempts to make sense of China, is to treat the country as an insular, disjointed, and isolated power that resembles "rogue nations" – nations that have been long siphoned off from Western trade networks due to political or ideological reasoning. This could not be further from the truth – 128 of 190 countries in the world trade more with China than they do with the United States.[236] China counts amongst the most active participants in international, multilateral institutions including the United Nations, the International Monetary Fund, and the World Bank. China and the rest of the world cannot be separated – nor should they be – from one another. The country remains integrally interconnected and integrated into the world at large – a fact that not only benefits billions around the world, but also the country's very own citizens. Indeed, the recently concluded CPC and the World Political Parties Summit was attended by over 500 heads of states and party leaders from over 100 countries – testament to the appeal and prominence of China as an international leader.[237]

[236] https://www.visualcapitalist.com/china-u-s-worlds-trading-partner/
[237] https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1890702.shtml

7.1 China's Relations and Images in respective regions

The following sections seek not to be an exhaustive and comprehensive survey of China's relationship with all possible geographical regions and communities in the world. Instead, the objective is to elucidate relationships of particular significance – whether it be from an economic, geopolitical, strategic, or military perspective – to China's ascent as a global power. The following will delve into both the substantive components of the relationships, as well as China's perceptions and reception in these regions, as a means of providing the international community with the necessary facts to appraise the successes and failures of China's foreign policy government. To the extent that certain regions have been omitted, this is not because of their irrelevance at large – but because of their relatively marginal importance in relation to the cause of the task at hand.

7.1.1 ASEAN

China's role in ASEAN and Southeast Asia – in general – has substantially and steadily increased over the years. Whilst the United States remains predominant across a large number of regions across the world, its slipping grip in ASEAN – as compared with China's rising influence – is highly evident. In accordance with a measurement devised by the Atlantic Council[238], China's influence capacity – i.e. a number that broadly indicates how influential a state is (in terms of both volume of ties and extent of asymmetrical dependence between countries) over another state – in Southeast Asia first overtook of the United States in the late 2000s, and has steadily grown over the past decade.

China's increasing influence and presence in the region could be attributed to a multitude of factors.

[238] https://www.atlanticcouncil.org/wp-content/uploads/2021/06/China-US-Competition-Report-2021.pdf

1. Firstly, whether it be through the ASEAN-China Free Trade Area – established in the early 2000s, or the more recent signing of the Regional Comprehensive Economic Partnership (RCEP), ASEAN states have become increasingly **economically intertwined and interdependent with** China, with Chinese investment and infrastructural loans increasing in both intensity and quantity across a plethora of states in the region. China has emerged as the largest trade partner to ASEAN for large swathes of the past decade.
2. Secondly, China has considerably deepened its **military presence** in Southeast Asia, through the construction of military bases in Cambodia[239], as well as the installation of new China-Philippines coast guard mechanisms and the supplying of naval vessels to leading Southeast Asian states, including Malaysia.
3. Finally, China has stepped up to play a **larger mediating and arbitrating role** in the region through lending its presence and political weight to conflict resolution – perhaps best epitomised by the country's approach to the ongoing Myanmar crisis, in which it has continuously worked with ASEAN states in coordinating the implementation of ASEAN's advocated proposals – e.g. ASEAN's five-point consensus.[240]

In 2013, Xi Jinping marked his visits to Indonesia and Malaysia with calls for "a closer ASEAN-China Community with a Shared Future".[241] The Maritime Silk Road and Belt and Road Initiative played a critical role in bridging the gap between civil societies and firms, inducing into the region a large volume of new

[239] https://thediplomat.com/2020/10/chinas-military-ambitions-in-southeast-asia-much-bigger-than-cambodian-bases/
[240] https://asia.nikkei.com/Spotlight/Myanmar-Coup/ASEAN-meets-with-China-as-progress-on-Myanmar-consensus-stalls
[241] https://www.orfonline.org/research/china-relationship-asean-explainer/

ideas, institutions, and diplomatic-cum-political norms. [242] Chinese academics have termed China's expanding influence in Southeast Asia as a critical component of the "revival" of the "Golden Age" of the diplomacy China practised during the Tang dynasty, which saw the silk road offer an alternative and prescient model of intercontinental trade diplomacy, prior to the emergence of *Pax Americana*.

Both Cambodia and Laos have grown into China's sturdiest and most consistent partners in the region – they have each respectively played a critical role in blocking ASEAN from criticising China's militarisation of the South China Seas, as well as voicing support in favour of China's policies towards Hong Kong. Cambodian leaders, in particular, view Beijing as a source of stable and sustainable political backing, which in turn enables them to withstand domestic challenges and opposition – co-opting them through economic gains and benefits.[243]

On that note, the upshot is clear – as America pivots towards the Middle East and away from the Asia-Pacific (a trend indubitably kickstarted by Trump) in economic and political investments, China has rapidly and tactically sought to fill the vacuum. Not only is China a critical stakeholder in regional issues ranging from maritime disputes to territorial conflicts, but it is also a leading supplier of economic developmental aid, loans, investment to smaller and medium-sized states, who often find themselves locked out of multilateral institutions under the Washington Consensus.

[242] https://www.academia.edu/25631014/Chinas_Asia_Dream_The_Belt_Road_Initiative_and_the_new_regional_order?email_work_card=thumbnail
[243] https://supchina.com/2020/10/21/chinas-relationship-with-southeast-asia-explained/

China has accrued considerable influence (measured by the plurality of domestic/national-level relational power) in three ASEAN states – Cambodia, Laos, and Myanmar.[244] These states have in turn become progressively isolated and marginalised within ASEAN, with reduced interconnectivity with regional partners. With that said, the extent to which these trends should be attributed to the ostensible coercion of Beijing, should not be overstated – at their core, these states' relationships with China remain economically dynamic and symbiotic. China-ASEAN bilateral trade surged from $8bn in 1991 to $472.2bn in 2015 – and almost up to $600bn in 2019.

Whether Chinese efforts have paid off, however, remains a separate question – especially when it comes to the country's optics and perceptions in the region. The 2020 Survey Report released by ISEAS in January 2020 (pre-COVID-19 pandemic) reflected abysmal support ratings for China and America alike in Southeast Asia. 60.4% of respondents in the region had little to no confidence that "China would 'do the right thing' to contribute to global peace, security, prosperity, and governance" – only 17.1% had confidence in China. 1.5% viewed China as a benevolent power, whilst 38.2% endorsed the view that "China is a revisionist power" – down from 45.4% in 2019. [245] With that said, 34.7% acknowledged that China was gradually displacing the United States as a regional leader – especially those in Cambodia, Indonesia, Laos, and Thailand.

The Americans' reception in the region is hardly any better, either – only 7.9% of respondents viewed the US as the most significant economic power in Southeast Asia, as compared with 79.2% who saw China as the primary economic force the region. 26.7% viewed the US as the most significant politico-strategic

[244] https://www.atlanticcouncil.org/wp-content/uploads/2021/06/China-US-Competition-Report-2021.pdf
[245] https://www.thinkchina.sg/unfavourable-views-southeast-asias-perceptions-china-and-us-worsen-amid-covid-19

player, whilst only 52.2% saw China as such. There is a palpable sense that Southeast Asian states are being compelled to choose between China and the US – though only 3.1% in total amongst the respondents were in favour of ASEAN states siding with either America or China. A vast majority were convinced that ASEAN should continue with its policy of broad neutrality – with calls for greater emphasis upon cultivating the organisation's capacity to fend off pressure from Beijing and Washington alike. An increasingly fraught US-China relationship would do very little good to ASEAN, whose member states have benefited largely off the trade spill-overs and operating the supply chains for the vibrant bilateral trade between the two leading economies. The ASEAN-China relationship is likely to become precipitously significant, as US-China relations undergo substantial and increasing turbulence.

7.1.2 North America

China's relations with North American states encompass, more specifically, its relationships with two countries – the United States and Canada. As the world's two largest economies, the US and China are economically, politically, technologically intertwined, with synergy and collaboration between the two states pivotal in tackling many of the most pressing problems in the world today. Since President Richard Nixon's seminal visit to China in 1972, and as a direct result of China's economic reforms and opening-up, the two countries have emerged as the top trading partners of each other – till recent years. China had been the largest trading partner of the US until 2019 – when it slipped to third place in light of the escalating trade tensions.[246]

In recent years, bilateral relations between China and the US have experienced substantial strain, as a result of President Donald Trump's precipitous

[246] https://www.wsj.com/articles/china-lost-spot-as-top-u-s-trading-partner-in-first-half-11564749251

isolationism and bellicosity towards China, as well as swift – albeit largely restrained – riposte from select segments of the Chinese diplomatic cadres and population. From his telephone conversation with Tsai Ing-wen (Taiwan) in December 2016, to his initiation of the US-China Trade War, and – most recently – the attempts of his White House in politicising and weaponising the COVID-19 outbreak, Donald Trump had contributed substantially towards the deterioration of bilateral communications and amicability between the two states. On the other hand, nationalist pressures from within Chinese borders had compelled Beijing to adopt a more trenchant stance internationally, lashing out at what it perceives to be undue and unfair American interference with its domestic and internal affairs – it is thus a combination of these factors that has cast a severe shadow over the highly prominent, albeit volatile, relationship.

China-Canada relations have also declined substantially over recent years, with heightening tensions over altercations and incidents, including the arrest of Meng Wanzhou (Huawei)[247] by the Canadian government (on suspicion of violating US sanctions laws against Iran), the detainment of Michael Kovrig and Michael Spavor[248] by Chinese State Security, and Canada's outspoken commentary on Beijing's approach to Hong Kong over the 2019 anti-extradition protests and 2020 National Security Law. It is well worth noting that despite Canada's increasingly vocal stance and opprobrium towards China on issues pertaining to human rights, the two states remain deeply economically interconnected – with Canada's trade deficit with China reaching over 51.3bn Canadian dollars in 2020.[249]

[247] https://financialpost.com/news/economy/huawei-arrest-tests-china-canada-ties-as-trudeau-weighs-5g-risk
[248] https://www.thestar.com/news/canada/2018/12/11/former-canadian-diplomat-detained-in-china-amid-rising-tensions-reports-say.html
[249] https://www.international.gc.ca/trade-commerce/economist-economiste/analysis-analyse/china-canada-2020-commerce-chine.aspx?lang=eng

Much ink has been spilled over the substantive contents and nature of the US-Canada-China relationship – and it would be futile seeking to encapsulate all that is relevant within a few pages; nor would that do it justice. With that said, it is imperative to note the common patterns that undergird both US-China and Canada-China relationships:

1) **Significant economic interconnectivity and interdependence**. As much as talk of an ostensible new Cold War is tempting, China and the US, and China and Canada, remain hugely economically interdependent – this description applies specifically to Canada, in relation to China (the former is economically dependent upon the latter), as well as the US-China bilateral relationship. China was Canada's third largest trade partner (behind only the US and European Union) in 2019.[250] North America and China remain deeply embedded in each other's supply chains, technological research and dissemination networks, as well as core trade-based industries. Despite recent decoupling and impediments induced by political and security considerations, China remains a vital economic partner and engine of growth for North America.
2) **Joint political responsibilities in global leadership.** China and the US' collaboration is instrumental in ensuring effective, expedient, and timely responses to some of the most imminent and substantial problems confronting the world today – ranging from global warming and climate change (over which the sharing of renewable energy and resources is pivotal), to epidemics and international security threats (e.g. terrorism). It is inevitably the case that the US, Canada, and China do not see eye to eye on questions of *implementation* – though the extent to which they diverge over their substantive interests should not be unduly exaggerated.

[250] https://www.international.gc.ca/trade-commerce/economist-economiste/analysis-analyse/china-canada-2020-commerce-chine.aspx?lang=eng

Fundamentally, all three countries would benefit from a cleaner, more stable, and cohesive global community where states are mindful of each other's territorial integrity and sovereignty. This is a vision that caters not only to Chinese interests, but to the needs and demands of the American and Canadian peoples.

3) **The crucial importance that differences over geopolitical and strategic contentions be managed, as opposed to serve as sites of active conflict.** China's rise as a power inevitably comes with a roster of challenges for the rest of the world, as aforementioned. Amongst them constitutes the values and principles that underpin its government, as well as its 1.4 bn strong population. It is hence of utmost importance that China and the US resolve their disagreements over China's and the US' domestic and foreign policies, through constructive dialogue that compartmentalises and silos off issues into manageable chunks – as opposed to engaging with one another in homogenised, lump-sum blocs that can neither be resolved through fruitful negotiation, nor discussed in an effective and efficient manner.

In seeking to make sense of China's reception in North America, note the following critical caveat – the attitudes of the public/masses towards China must and ought to be disentangled from those of the political elite: whilst the latter have exhibited distinctively more hostile sentiments towards China, as a result of a mixture of electoral incentives and ideological differences, the American and Canadian publics harbour broadly less antagonistic sentiments towards the country – though the elite-public gap has indeed somewhat narrowed over recent years.[251]

[251] https://carnegieendowment.org/2021/01/21/u.s.-perceptions-of-china-in-pandemic-era-and-implications-for-u.s.-policy-pub-83684

Some numbers would be helpful in quantifying the above phenomena. Negative views of China amongst Americans reached a record high in 2020, with 73% of respondents holding unfavourable views towards the country – per a Pew Research Center survey. The trade war kickstarted a rapid deterioration in American attitudes towards China, only for the drop to be catalysed by the perception that China was ostensibly responsible for the COVID-19 pandemic. Gallup surveys have also found that by 2020, a strong majority of respondents (67%) espousing negative views of China.

Popular perceptions of China amongst Americans have seemingly trended towards the gradually developing bipartisan consensus amongst the country's parliamentarians. The elites' views in foreign policy and think-tank spaces had considerably soured years earlier[252] – in the aftermath of what they touted as authoritarian encroachment and elimination of checks and balances within China (though the extent to which this view holds true, of course, is questionable, given the previous sections of analysis). When it comes to the masses, it was only in 2020, however, that China's rise as a world power was deemed the third most critical threat to the United States – just below the COVID-19 pandemic and rise of domestic, violent extremism. [253] These are worrying results from the perspective of China's quest for heightened soft power and respect abroad.

China's reputation has – equally, been somewhat tarnished in Canada by a combination of escalating geopolitical threats, resentment towards China over the COVID-19 pandemic, and extensive (albeit potentially inaccurate) portrayals of the country's hardening stance on domestic issues, including Hong Kong,

[252] https://www.thechicagocouncil.org/research/public-opinion-survey/2018-chicago-council-survey
[253] https://www.thechicagocouncil.org/research/public-opinion-survey/2020-chicago-council-survey

Xinjiang, and Taiwan. [254] For the second-straight year in 2021, only 14% of Canadians viewed China favourably.

Whether these perceptions point to a substantive case for decoupling, however, remains to be seen. The concerns harboured by citizens in Canada and the United States over China are neither as unresolvable, nor as intractable, as some may posit them to be. What is needed from China is a clearer and more approachable exemplification and staking-out of its position – as well as assuaging of the concerns of states over its foreign policy. This – in theory – does not require China to forego its fundamental interests or compromise its core baselines.

The fulcrum of the somewhat gloomy prognosis over the future of China-North America relations lies not with the 'signal', or the 'substance' – e.g. the economic and political fundamentals undergirding how these states' interdependence and interconnectivity in fact operate. Instead, the crux of the matter rests with perceptions. The more the United States and Canada lash out explicitly and vociferously over China's alleged problems, the less likely it is for these states to find or broker compromises – this, in turn, would only be a recipe for disaster, as all parties involve inadvertently dial up their rhetoric and vitriol, in order to preserve their credibility at large. This is how a vicious cycle of escalation, tensions, and conflicts could well potentially arise – to the detriment of all stakeholders involved.

[254] https://www.bloomberg.com/news/articles/2021-03-16/negative-views-of-china-harden-in-canada-on-arbitrary-detentions

7.1.3 Europe

Europe and China enjoy a significant level of mutual interdependence and synergy that concurrently comes with a fair share of fundamental disagreements in values and governing practices.

The EU-China relationship constitutes one of the, if not the most preeminent trade relationship in the world. Since China's accession to the World Trade Organisation in December 2001[255], the EU's goods exports to China have grown – on average – by over 10% per year, and service exports by over 15% a year. This has yielded substantial benefits for EU producers – specifically in markets such as the automobile and telecommunications industries. The EU and China are – as of 2021 - the largest trade partners of one another, with bilateral trade amounting to 586bn Euros in 2020 – an increase by nearly 50% relative to the amount in 2010 (397bn Euros).[256] The EU runs an overall trade deficit with China – despite its net surplus at large, which is enabled largely by the EU's exports to third parties that have in turn seen rising exports in relation to China. From 2002 to 2017, the EU's trade deficit with China grew by 9% per year.

The EU's and China's FDI in one another has also increased over the years, with both parties' investors and capital playing a critical role in promulgating economic growth domestically. The stock of EU FDI in China grew from 54bn Euros in 2008, to 178bn Euros in 2017; on the other hand, the stock of Chinese FDI has increased by a factor of ten over the past decade – reaching 59bn Euros in 2017. With that said, the pace at which European FDI in China has decelerated substantially over recent years, with the primary impediments resting with the minimal investor protection laws and substantial inequality in market access.

[255] https://www.bruegel.org/wp-content/uploads/2019/11/WP-2019-09-China-finalincl-edit.pdf
[256] https://ec.europa.eu/eurostat/statistics-explained/index.php?title=China-EU_-_international_trade_in_goods_statistics

Joint venture requirements have involved transfers of intellectual property from EU firms to Chinese counterparts, thereby undercutting the appeal of operating and investing in China.

Whilst Chinese policymakers had historically viewed the economic and commercial components of its relationship with the EU as separable from ideological or political differences, it appears that this view is decreasingly shared by their counterparts in the EU. More recently, the EU-China Comprehensive Agreement on Investment (CAI) hit an ignominious snag, as a majority of MEPs in the European Parliament (599 to 30, with 58 abstentions) voted to freeze discussion of the agreement. [257] MEPs cited concerns ranging from China's increasing belligerence in rhetoric and foreign policy positions, the country's human and labour rights records, and – more contemporarily – the heated exchanges over Hong Kong and Xinjiang.

If passed, the agreement would have introduced greater accountability and transparency, as well as securitisation of confidentiality, to EU investment and firms' operations in China – thereby paving the way for substantially greater economic integration and collaborative ventures between Europe and China.[258] The costs (opportunity or actual) induced by the suspension could well be substantial – especially in light of the recession triggered by the ongoing pandemic.

Hence for actors to posit that the disagreements between the EU and China can be reduced into a question of economic interest divergence – alone – is over-simplistic and unreflective of what is at stake in the relationship. Flashpoints

[257] https://www.chinausfocus.com/foreign-policy/repairing-the-eu-china-relationship-requires-pragmatism-and-flexibility
[258] https://thediplomat.com/2021/01/the-strategic-implications-of-the-china-eu-investment-deal/

ranging from Huawei's presence and security in the region, to China's practices concerning intellectual property and technology transfer from EU companies, to the increasing vitriol in bilateral exchanges, have indubitably cast a shadow over the future of EU-China relations.[259]

With that said, the fundamentals of the EU-China partnership remain intact and pivotal, in several, critical ways:

1) **Economic synergy and synthesis.** Both the EU and China alike would benefit from a commitment to work "constructively and expeditiously towards the resolution of a number of market access and regulatory issues", per the press release from the EU over the EU-China Summit[260]. In this "complex and vital partnership", it is imperative that the EU and China identify areas over which cooperation and further entrenchment of ties would be to mutual economic benefit – including, of course, expanding market access, regulating behaviours and practices of corporations, sharing and pooling research and development, and lowering the barriers for effective investment. China and the EU alike have much to gain from one another – China, from the dynamic, incorporated, and holistically robust consumer markets and capital in the EU; the EU, from the rapidly growing wealth pool and capital-intensive production sectors in China – as well as the productivity surplus that is likely to emerge under the country's heavy investment into cutting-edge technology.
2) **Coordination of responses towards global challenges.** The EU has called upon China "to assume greater responsibility in dealing with global challenges through the rules-based international system, promoting international peace and security, and adhering to international standards to

[259] https://foreignpolicy.com/2021/04/06/china-image-problem-wolf-warrior-international/
[260] https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1159

support sustainable development, especially in Africa." [261] Similarly, *Global Times* has identified the fact that the EU-US partnership is afflicted by "conflict of interests" – and argued that the EU's joining the "US-led rivalry against China"[262] could induce substantial costs upon the EU – hindering its ability to collaborate effectively with China on matters ranging from climate change, denuclearisation, to public health crises.

3) **Maintenance of regional and global geopolitical security and stability**. China and the EU have worked closely across a plethora of geopolitical challenges – ranging from terrorism and pirates in East Africa, to tensions and civil strife in Eastern Europe. The mutual acceptance of de-militarising and diffusion of geopolitical tensions – particularly those over Central Asia and in relation to China – would further the interests of both China and EU countries. In order to maintain genuine geopolitical security for all stakeholders – especially those in Eurasia – it is critical that EU member states and China alike set aside ideological differences in demarcating areas of mutual non-interference, and areas over which convergence and interactions – from a geopolitical perspective – could well be inevitable. Tensions cannot be wholly diffused, but they can be contained at least somewhat effectively. It is pivotal that disagreements over China's (rather limited) overseas military presence and NATO/EU's geopolitical interests be resolved through dialogue and conversation, as opposed to heated and intransigent disagreements.

The above critically affirms the adage that the signal must be separated from the noise. The signals concerning bilateral relations remain largely positive – China and the EU alike would benefit from deepened and broadened ties, though the noise – the optics and perceptions, that is – certainly amounts to a bleaker and

[261] https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1159
[262] https://www.globaltimes.cn/page/202106/1226244.shtml

more raucous picture. It is imperative that both parties bridge their differences in vision, ideology, and commitments, through open and unreserved dialogue, but also an acknowledgment of the validity of each other's core interests and concerns. Only then, could bilateral relations be repaired expeditiously, to the benefit of all stakeholders involved.

7.1.4 Africa

Sino-African relations can be captured by five key characteristics:

First, Africa has historically enjoyed a highly prominent status **within official CPC ideology** – on a conceptual-cum-theoretical level, it features prominently as a core pillar to China's tripartite "Asian-African-Latin American friends" (亞非拉朋友)[263] framework, which is in turn a core constituent of Mao Zedong's Three Worlds theory. Africa is viewed as a critical exemplar of China's "developing countries"-oriented diplomacy – which is why cultivating political goodwill and sociocultural reciprocity in Africa is of paramount importance to Chinese leaders, even at the expense of economic revenue, if necessary.

Second, both China and African states alike have benefited substantially from the **deepening of bilateral economic ties**. Trade between China and Africa increased by 700% during the 1990s, with China currently being Africa's largest trading partner. Jiang Zemin's "Go out" policy (adopted in the 1990s) demarcated the initiation of China's development-centric foreign aid and trade policy, with a subsequent explosion in volume of Chinese capital and trade with Africa. Whilst Chinese manufacturers supply the African market with goods for which they possess excess stocks, as well as high-quality consumer products that are

[263] http://theory.people.com.cn/BIG5/n/2013/1009/c83867-23138945.html

relatively scarce in Africa, African states supply China with vital raw materials and natural resources – including oil, wood, and minerals.

Third, Africa serves as a **critical cornerstone to China's international development programmes** – as epitomised by China's BRI and the Exim Bank (a government bank under direct leadership of the State Council). As of April 2020, 42 African states had signed onto an agreement or understanding with the Belt and Road Initiative. A vast majority of Africa remains relatively underdeveloped in terms of its infrastructure, with a substantial need for rails, roads, and energy. Chinese loans and investment are not only accessible, but also comparatively expedient and come with fewer internal strings attached, as juxtaposed against counterparts from the European Union or the United States. Direct investment from China in Africa reached US$3bn in 2020, with the extensive, elaborate Lekki Deep Sea Port Project in Nigeria (worth over $1 bn USD) a critical hallmark of China's expanding influence and presence in the region.[264]

Fourth, China also serves a **pivotal military partner** to African states – when it comes to tackling cross-border and joint military-security threats. In July 2017, China established its first overseas military base in Djibouti, as a primary base for peacekeeping missions in the region. China is an avid contributor towards peacekeeping forces at the United Nations, and maintains a large presence of military corps in Africa, with two primary purposes – brokering peace and mediating in conflict zones, and cracking down on infra-continental crimes and terrorist activities. China has also leant critical support to governments in the continent through supplying drones and military technology.[265]

[264] http://www.xinhuanet.com/english/2021-01/03/c_139638729.htm
[265] https://www.iss.europa.eu/sites/default/files/EUISSFiles/Report_38_Defence-industries-in-Russia-and-China.pdf

Fifth, as compared with its Western counterparts, China is by far a more proactive player in promulgating **health diplomacy** in Africa. Health care development and medical aid have been at the forefront of Chinese developmental campaigns in the region. In March 2020, Beijing announced plans to construct an African Centre for Disease Prevention and Control research facility in Nairobi, building upon its past track record of supporting and funding Africa's anti-Ebola efforts in 2014.[266] During the ongoing COVID-19 pandemic, Beijing has seized actively upon President Donald Trump's retreat from international leadership, as an opening through which it has disseminated mutually advantageous and vital medical aid amongst African countries. As of May 2021, China had delivered 22 million doses of vaccines to Africa; in comparison, in June 2021, President Joe Biden pledged that the United States would deliver 10 million vaccines to Africa.[267]

How have China's efforts in the region impacted – or strengthened – its reputation? The results are mixed. In 2016, the pan-African survey research Afrobarometer found that 63% of surveyed citizens – from 36 countries – generally had positive feelings towards China's assistance.[268] China's popularity had largely remained at the same levels in 2020 (when the survey was again conducted), albeit with fluctuations and ebbs/flows amongst certain states. The 16-country average – on whether China was viewed as the best model for development – increased slightly from 22% in 2014/15, to 23% in 2019/20. The upshot suggests that whilst China has not expanded its net volume of positive reception in Africa at large, it has

[266] https://www.ispionline.it/en/pubblicazione/chinas-health-diplomacy-africa-pitfalls-behind-leading-role-25694
[267] https://www.cnbc.com/2021/06/21/covid-vaccine-us-to-split-55-million-doses-between-latin-america-asia-and-africa-.html
[268] https://www.afrobarometer.org/publications/ad122-chinas-growing-presence-africa-wins-largely-positive-popular-reviews

been capable of largely maintaining its levels of support throughout the past five years – as well as tapping into nascent regions for newly gained support.

An area worth mentioning here is the Sahel region – the region wedged between the Sahara Desert to its north, and the Sudanian savanna to the south.[269] Many of the states here are highly conflict-prone and conflict-ridden. China has been pivotal in offering security and development support to these states, as well as operating peace and security operations in the region at large. China's growing involvement and presence has vastly improved locals' perceptions of the country – in Burkina Faso, China's development model's popularity increased substantially, from 20% in 2014/15, to 39% in 2019/20. Similarly, an overwhelming majority (80%) of Guinean citizens perceive China's economic and political influence to be positive.

With that said, there exist reasons to think that China's reception is not unidimensionally positive – there exist reservations and concerns on the part of some populations. Indeed, the perception that China's influence on their country has been positive has declined from 65% to 60% across 16 countries, concurrent to reputational gains accrued to Russia and UN organisations at large.[270] Amongst those who were conscious of Chinese assistance programmes, a significant number were worried about loan repayment; a majority felt that their governments had borrowed too much from China.[271]

It is imperative that China addresses these concerns – not only as a means of consolidating its economic presence in the region, but also to ensure that it can

[269] https://theconversation.com/sahel-region-africa-72569
[270] https://theconversation.com/how-popular-is-china-in-africa-new-survey-sheds-light-on-what-ordinary-people-think-149552
[271] https://theconversation.com/how-popular-is-china-in-africa-new-survey-sheds-light-on-what-ordinary-people-think-149552

rekindle ties with countries with cooling perceptions of the country. Elsewise, China could well find its involvements in Africa inhibited by negative or cynical optics.

7.1.5 Middle East

China and the Middle East have seen rapidly evolving and amalgamated ties over recent years. The years of denouement and termination to the Cold War saw Beijing swiftly establish ties with states in the region, with all states in the Middle East having established economic and diplomatic relations with China by 1992. China benefited largely from petrochemicals in the Gulf as a means of fuelling its energy supply and economic growth; Middle Eastern states, on the other hand, saw substantial prospective gains to be made through the vastly untapped and unexplored markets in China, as well as the prospects for capital synergy and synthesis through joint ventures.[272] Hence the early 2000s and 1990s saw China and the Middle East foment a largely economic-in-kind, though broadly open-ended relationship that paved the way for subsequent collaboration.

From 2008 onwards, Chinese policy in the region took a distinctly and sharply political turn, as Beijing dispatched – monumentally – three naval vessels to partake in counter-piracy operations in the Gulf of Eden, in 2008. China continued developing and harnessing its regional security presence throughout the Arab Spring and ensuing civil wars (e.g. the 2011 Libyan Civil War, and, more recently, the Yemeni civil war), to engage in extensive evacuation operations for Chinese citizens located in the region. China also contributed a substantial number of troops to the United Nations peacekeeping missions in the region.

[272] https://thediplomat.com/2019/02/china-in-the-middle-east-past-present-and-future/

The commencement of the BRI in 2013 saw the Middle East transformed into a geopolitical-strategic partner for China, with the region designated a "neighbour" region by Beijing at the Third Plenary Session.[273] Wang Jisi – China's leading foreign policy expert – called upon the country to "march westward"[274]; "As Washington rebalances to Asia […] the relationship between the United States and China has become increasingly contentious and zero-sum.", Wang argued.[275] As Eyck Freymann argued in *Foreign Policy*, "if China's goal is to achieve influence without entanglement in the Middle East, the BRI is succeeding brilliantly".[276]

China's support in the region straddles the Sunni-Shiite divide. Whilst Iran and Shiite paramilitary groups in Iraq and Syria have openly embraced the infrastructural investment and economic support from China, their sentiments are largely shared by states ranging from Saudi Arabia, the UAE, to Kuwait – who have, in turn, hired Huawei to construct their 5G telecom infrastructure, in face of American pressure. The Middle East has become one of China's staunchest and most consistent partners in its health diplomacy efforts, acting as a regional distributor – as well as recipient – of Chinese aid. Even Israel has remained largely defiant in face of American pressures towards it to limit its commercial interactions with China.

There are several key characteristics worth noting when it comes to the China-Middle Eastern relationship:

1) A heavy emphasis upon **resource extraction and supply** – from the Middle East to China. China depends heavily upon the Middle East as a

[273] https://thediplomat.com/2019/02/china-in-the-middle-east-past-present-and-future/
[274] https://foreignpolicy.com/2021/02/25/influence-without-entanglement-in-the-middle-east/
[275] https://www.brookings.edu/blog/up-front/2013/01/31/march-west-chinas-response-to-the-u-s-rebalancing/
[276] https://foreignpolicy.com/2021/02/25/influence-without-entanglement-in-the-middle-east/

source of oil – it is the largest buyer of the region's oil, and is plausibly the sole external power with strong resource and energy ties with every major country in the region. The Middle East acts as a critical repository of energy for China – and China is acutely aware of this fact, which has promulgated it to reciprocate with substantial concessionary loans and capital inflows.

2) The Middle East views China as a **strategic counterweight and balance** against American presence and hegemony in the region. Chinese economic aid and investment often come with far fewer ideological and political strings attached, with no attempt on China's part to weigh in over the geopolitical disputes in the region. This renders China highly divergent from the United States, which has been embroiled in the conflicts and tensions constitutive of the region over the past decades.
3) China views the Middle East as a part of the **adjacent** within its externally projecting, wide-reaching foreign policy government established under the Belt and Road Initiative. This, in turn, implies that states in the region are likely to be counted upon as vital allies and civil society partners, as well as suppliers of technology, research, innovation, and capital that China needs in order to expand into both North Africa and Central Asia. The Middle East operates as a figurative outpost for Chinese interest – not in the sense of exporting Chinese ideology, but largely with respect to regulating and policing China's interests across the two continents straddled by the Middle East.
4) Finally, China is stepping up to playing an increasingly prominent role as a **neutral** and **sovereignty-affirmative mediator in regional disputes.** For instance, in response to the crisis in regime succession in Afghanistan, China has offered to play a facilitative role in liaising between and mediating the negotiations and discussions between the Taliban administration and the previous administration of Afghanistan. China has

> also pledged to play a proactive role in supporting the country's reconstruction in the aftermath of the civil strife that has afflicted it for over two decades.[277]

What of the perceptions of China in the region? The percentage of individuals with favourable views of China had increased (slightly) from slightly above 40% in 2005, to over 50% in 2017 – though this must be caveated as such: China's popularity first peaked in 2010 and 2011, before dropping drastically in 2013 – only to pick up subsequently; the trends in the views of Middle Eastern countries largely mirrored those of other populations surveyed around the world.[278]

More recently, as a result of the COVID-19 pandemic, China's reputation in the region has indeed suffered setbacks. Whilst 47.7% of the surveyed by a recent study reported that their perception of China had remained the same throughout the outbreak, 30.4% reported that it became "slightly more negative" and 15.19% reported that it became "much more negative". Only 7% reported that their perception of China had improved during the pandemic. 85% reported that they saw China as "very/somewhat responsible" for the outbreak. With that said, a majority (62.19%) of the respondents also felt that Arab states should work with China to combat COVID-19, especially in the pooling of vaccines and medical resources. Moreover, nearly 80% of those surveyed noted that they viewed China as wielding a positive economic influence on the region, through the delivery of developmental aid and injection of investment into the region.[279]

[277] https://www.scmp.com/news/china/diplomacy/article/3146986/china-calls-us-be-investigated-civilian-deaths-afghanistan
[278] https://www.mei.edu/publications/public-opinion-middle-east-toward-china
[279] https://blogs.lse.ac.uk/mec/2021/05/19/arab-perceptions-of-china-during-the-covid-19-pandemic-insights-from-the-uae/

The upshot is clear: whilst Middle Eastern states' denizens welcome China for its economic presence and contributions to the region, there remains a fundamental angst and skepticism towards the country, which have indubitably been exacerbated by the perception that China was ostensibly responsible for the COVID-19 outbreak. Repairing relations and its image in the region requires addressing this perceptual issue head-on.

7.1.6 Latin America

Latin America possesses both economic and symbolic significance for China. It features some of the world's most rapidly growing and promising economies – e.g. Brazil; it also encapsulates some of China's most long-standing international allies, including Cuba, Venezuela, and Argentina.

Economically, China's trade with Latin America had rapidly increased over recent years. The decade of the 2000s saw China-Latin American trade increase by 13-fold, from $10bn USD to $130bn USD.[280] The value of trade surged to $315bn USD by 2020, reflecting an impressive increase by over 30x in the total volume of trade over the past two decades.[281] 92% of Latin American exports in 2010 to China were commodities; reciprocally, 85% of Chinese investment went to extractive industries, as well as 60% of Chinese loans. In 2019, Chinese companies invested $12.8bn in Latin America, up 16.5% from 2018, with particular focus and emphasis upon regional infrastructure – e.g. ports, dams, roads etc. [282] It is apparent that Latin America serves as a vital source of commodities and extraction-based goods and products for China, though in recent

[280] https://web.archive.org/web/20120416233811/http://www.uscc.gov/Backgrounder_China_in_Latin_America.pdf
[281] https://crsreports.congress.gov/product/pdf/IF/IF10982#:~:text=Total%20China%2DLAC%20trade%20increased,only%20slightly%2C%20to%20%24315%20billion.&text=China%20has%20free%20trade%20agreements,%2C%20Costa%20Rica%2C%20and%20Peru.
[282] https://time.com/5936037/us-china-latin-america-influence/

years, its secondary role as a consumer market for Chinese exporters has also grown substantially.

Politically, China has been heralded as offering an alternative source of patronage and support to Europe and the United States by Latin American nations who have sought support from the international community for infrastructural development and economic injections. The establishment of the BRICS group – perhaps formally demarcated by the inaugural BRICS summit in 2009 – has closed significantly the distance between China and Brazil, with the latter pivoting to China under President Jair Bolsonaro's presidency. China also lent support to President Nicolás Maduro during the presidential crisis of 2019, standing by the country's sovereign government as it faced challenges from the West-backed candidate of Juan Guaidó. As a general rule-of-thumb, China seeks not to couple its economic presence in the region with heavy-handed political interference, though it has indeed retaliated against the crop of nine countries (e.g. Paraguay and Honduras) in the region that have refused to recognise the legitimacy of Beijing as the official Chinese government – and that have opted instead to maintain relations with Taiwan, as the "true China".[283]

Chinese involvement in the region scaled up considerably throughout the course of the COVID-19 pandemic. China is Latin America's main vaccine provider[284] - offering countries in the region expedient and relatively economical access to vital resources in combating the ongoing pandemic. The US has sought to – though may well struggle – match China's efforts in distributing vaccines, masks, and medical apparatus to Latin America. Only 6 million US-supplied doses will

[283] https://time.com/5936037/us-china-latin-america-influence/
[284] https://foreignpolicy.com/2021/06/11/vaccine-diplomacy-boosts-china-in-latin-america/

go to South and Central America, as compared with the over 75.8 million (as of May 2021) that China had already delivered.[285]

Chinese interactions with the region can be encapsulated through the following propositions:

1) China seeks to **displace** America as the primary agent of influence in Latin America; yet its quest for displacement will not manifest via militaristic competition or the vying for geopolitical dominance. Instead, China seeks to cultivate economic ties and reciprocal goodwill in the region, by bankrolling infrastructural enhancements and reforms, as well as structural overhaul to the financial markets and systems in the respective countries. All in all, China is bent less on achieving military dominance over the region, than economic influence – with the ultimate objective of enriching both Latin American states and China, thereby establishing more enduring partnership relations and ties.[286]
2) Chinese foreign policy in the region cannot be decoupled from its **internal and domestic policy priorities** – e.g. the reunification with Taiwan under "One China". China has made recognition and acceptance of Beijing as the sole representative of China a necessary condition in the establishment of diplomatic and political ties with states. Indeed, over the past five years, the Dominican Republic, El Salvador, and Panama have switched their recognition from Taiwan to China, offering China invaluable votes at the United Nations and support for Chinese appointments to critical multinational institutions.[287]

[285] https://www.ft.com/content/511d3cee-b388-4eb5-a667-e693349ad564
[286] https://time.com/5936037/us-china-latin-america-influence/
[287] https://time.com/5936037/us-china-latin-america-influence/

3) Latin America remains **highly discursively and rhetorically significant** as a core element of China's worldview and aspirations of empowering traditionally and historically disenfranchised states that have been excluded from "the world's stage". Indeed, a core prong of Chinese foreign policy – since the days of Mao Zedong and Zhou Enlai – has comprised the "empowerment of Latin American and African nationalist movements" and "liberation of colonised peoples from white settler colonialism".[288] Whether such rhetoric is genuinely upheld by or adhered to China is a different question, though it is apparent that Latin America clearly occupies a preeminent position within China's value hierarchies and foreign policy priorities.

How has China been received in the region, then? The 2012 Americas Barometer suggested that China was perceived favourably across Latin America – that it was viewed as an influence that is both mildly strong and mildly positive in the countries within the region.[289] A majority or plurality of Latin American states' populations – surveyed in a 2019 Pew Research poll – harboured a favourable view towards China. Indeed, in countries such as Mexico and Brazil, younger generations held distinctly more favourable views of China. [290] China clearly enjoys a high level of popularity in the region, though the extent to which this could be attributed to its genuine popularity – as opposed to the innate skepticism espoused by national populations in the region towards the United States and the West at large – remains a question that has yet to be answered.

[288] http://cpc.people.com.cn/BIG5/218984/218998/14818682.html
[289] http://repositorio.ipea.gov.br/bitstream/11058/6539/1/TdM_v2_n2_Honeymoon.pdf
[290] https://www.pewresearch.org/fact-tank/2019/12/05/people-around-the-globe-are-divided-in-their-opinions-of-china/

7.1.7 The "Five Eyes"

The Five Eyes refers to an intelligence alliance comprising Australia, Canada, New Zealand, the United Kingdom, and the United States. These states have signed onto the UKUSA Agreement – a treaty for joint cooperation over signals intelligence. The Five Eyes' origins could be traced to the Cold War, though formalisation and institutional recognition of its activities only kicked in – gradually and progressively – throughout the early 2000s.

The Five Eyes alliance has – in the past – voiced their concerns and reservations over China's foreign and domestic policies, including the country's disqualifying of elected legislators in Hong Kong in November 2020, as well as the specific case of Meng Wanzhou – a Huawei executive who was arrested by Canadian authorities for alleged charges of fraud and conspiracy in the United States (see above). Chinese critics have castigated the Five Eyes Alliance as emblematic of a nascent "Eight-Nation Alliance"[291] – bent on undermining China's rise and ascent through supercilious containment efforts.

Despite the rhetoric from a small, select minority of parliamentarians and politicians, the Five Eyes are by no means a homogenous entity – nor is it a politically unified superstructure with shared values and interests. Indeed, as the New Zealand Foreign Minister Nania Mahuta argued in a statement in April 2021, New Zealand would not let the Five Eyes alliance dictate its bilateral relationship with China, as well as the country's resolve to preclude undue escalation in tensions through the expansion in remit for the intelligence grouping. Mahuta and Prime Minister Jacinda Ardern's remarks were widely viewed as signs of New Zealand's adamant wishes to maintain constructive, collegiate economic and

[291] https://www.globaltimes.cn/content/1207378.shtml

political ties with China, as opposed to partaking in the precipitously anti-China campaign initiated by the other members of the alliance.

China's foreign ministry has repeatedly criticised the Five Eyes – spokeswoman Hua Chunying declared, "the Five Eyes have taken coordinated steps to gang up on China", in response to Australia and New Zealand's joint statement on Xinjiang. The Alliance also discussed the prospects of – though never came to a material consensus over – cooperating beyond intelligence sharing, including on critical technology, Hong Kong, and the COVID-10 pandemic.[292]

It is vital that the international community recognise that the Five Eyes alliance is not – by any meaningful or substantial measure – an economic or political alliance of maturity. Nor is it intended to be, given the disparate and disjointed trade, financial, and ideological positions of the alliance's members. China should – and likely does, to an extent – recognise this critical fact. Whilst China had repeatedly lashed out and retaliated against the alliance in public, such speech should not be interpreted as indicative or expressive of the country's genuine resolve to attack or undermine members of the alliance – insofar it reflects China's growing uneasiness and annoyance towards what Beijing perceives to be foreign interference. The Five Eyes alliance is but a rhetorical synecdoche in Chinese state/official discourse – a stand-in for hawkish, bellicose elements in the West at large.

[292] https://www.reuters.com/world/china/new-zealand-says-uncomfortable-with-expanding-five-eyes-2021-04-19/

7.2 How Should the World Engage with China? – Towards Some Working Principles

How should the world engage with China? Here, this paper shall conclude its substantive sections with a charter of working principles that would enable countries to engage with China, in a constructive and mutually respectful manner. These principles are by no means exhaustive, yet should hopefully provide a functional roadmap towards more dynamic relations between states and China. With these tenets, the hope is that China can be approached neither as an enemy, nor as an unconditional ally. Countries must not be naïve about Chinese intentions – but nor should they over-exaggerate the dangers and risks associated with the Chinese government, and thereby ignore the vast spectrum of possibilities and opportunities affiliated with symbiotic collaboration with the country.

7.2.1 A Renewed Charter of Working Principles

The following encapsulates some of this report's more structured recommendations and prescriptions concerning how the world at large ought to engage with China:

7.2.1.1 *Constructive collaboration and symbiotic engagement over critical global challenges*

The world is confronting by challenges of both global scale and importance. In seeking to make sense of China's rise – and to respond to its evolving needs, behaviours, and preferences, it is critical that the world seeks to work with China to combat and tackle these shared challenges – for which collective action and cooperation are not optional, but necessary. There are at least three areas for which this is the case – in facilitating public health management, combating climate change, and maintaining economic and financial stability worldwide.

On **public health**, there exist two core dimensions on which cooperation is necessary. Firstly, in pooling and sharing resources, intelligence, data, and research pivotal to resolving global health challenges – whether it be pandemics, epidemics, or atypical and rare diseases. Chinese funding and support have proven to be critical to the WHO's continued successes – especially on fronts related to monitoring and tracking the risks of influenza pandemics, and cooperation over the provision of medical supplies and humanitarian aid amidst ongoing conflicts around the world.[293] To the extent that the WHO is indeed afflicted by bureaucratic inefficiencies and intransigence, the solution should rest with the development of bilateral health cooperative arrangements between China and other states, which could helpfully supplement the WHO's efforts in places where the organisation is currently most lacking.[294]

Secondly, even on issues pertaining to China's domestic and internal health policies – e.g. investigating the transmission mechanisms and origins of COVID-19 – it is all-the-more-important that countries work with China on grounds on which it feels respected and treated as an equal. Elsewise, information- and data-collecting missions would fail; pushes for greater accountability and transparency would also fail. As the above highlights, the Chinese government is hyper-rationalistic and instrumentalist – it recognises and embraces the room for the pursuit of joint, shared interests. International stakeholders must demonstrate how its interests converge with those of the global community at large – as opposed to brandishing inflammatory rhetoric that undermines the credibility and efficacy of calls for cooperation.

[293] https://www.who.int/china/our-work/global-health-response-and-cooperation
[294] https://www.who.int/china/activities/responding-to-the-humanitarian-crises-in-yemen

On **the environment**, there is much that the world could gain from working with and learning from China. The April 2021 joint statement between the United States and China highlights both parties' resolve to combat the existential risks posed by climate change, through the sharing of research and development (R &D) capital and coordination in deployment of green technologies and renewable energies.[295] More generally, as a signatory to the Paris Agreement, China has undertaken substantial pledges concerning carbon neutrality – China has declared its commitment to reaching peak emissions before 2030, and achieving carbon neutrality by 2060.[296] China should not be alienated from international efforts at halting or ameliorating the transformations to the climate – indeed, and perhaps more urgently, China must be offered a viable path to contributing towards cooperative schemes, in a manner that captures and reflects the country's interests, whilst ensuring that it lives up to considerations of fairness by which it should be bound.

On the front of renewables, states should seek to cooperate with China in maximising output of affordable, and cost-effective renewable energy. The United States' recent ban of solar panel material is a worrying sign that vitriolic ideological squabbles and disputes have in turn undermined its ability to produce solar panels – in turn a pivotal component of energy transition efforts worldwide.[297] States should seize upon the comparative advantages of China – its relatively low manufacturing costs, economies of scale, and concentration of capital (backed by the state) – as opportunities for a relatively transitional cost-free shift towards greener, safer, and more sustainable energy sources in the long run.

[295] https://www.state.gov/u-s-china-joint-statement-addressing-the-climate-crisis/
[296] https://www.scmp.com/business/article/3113737/china-pledges-cut-carbon-footprint-65-cent-2030
[297] https://www.scmp.com/economy/china-economy/article/3138513/us-bans-imports-solar-panel-material-chinese-company-over

Finally, China remains a vital engine of **global economic growth**. A slowing Chinese economy is in few parties' interests – especially in light of the interconnectivity spurred by globalisation, and the innate difficulties embodied in decoupling. From financial markets to trade supply chains, most – if not all – countries in the world require China's continued economic success, in order to ensure that they remain economically functional; their businesses operational; their investments practicable. In turn, through its pioneering advances in digi-finance and crypto-finance, China has stepped up to playing a leading role in global finance, both as a source of innovative systems and policies, as well as a contributor of liquidity and capital. Whilst China's role certainly cannot compare directly against that of the United States – as of yet – the instrumentality of the system to global financial markets would only increase, in the aftermath of the pandemic and entailed recession, over the upcoming years.

7.2.1.2 *Critical, dynamic, and constructive engagement with the aims of facilitating gradual reforms across the world – in China and elsewhere*

As the above has demonstrated, China is not without its own concerns, challenges, and problems to tackle – just as any other rapidly developing, broadly mature society or country. It is also indisputable that much remains to be desired in areas ranging from labour rights to economic transparency and accountability, from China's overarching developmental directions and foreign policy, to its domestic population policy. None of this can be combated through isolationism alone – and the calls for closing China off against international collaboration and exchange are both perilous and unconducive towards the country's growth.

Yet the international community must also be mindful of the distinctive governance logic that underpins the Chinese system – where Chinese leaders do not take kindly to perceived infringements upon national sovereignty, especially

given the country's past brush-ins and experiences of colonial invaders and imperialist conquest at large. Countries around the world must engage critically and dynamically China – with the aims of facilitating gradual, domestic reforms that are neither ideologically predisposed towards values that do not conform with the Chinese ethos, nor risky and precarious in a way that jeopardises the overall stability of the country.[298]

In practice, this requires international counterparts to China to pay heed to and acknowledge – at least in public and in external speech – the validity of China's sensitive baseline demands and needs. Other states should also acknowledge that on issues of internal sovereignty and domestic affairs, the Chinese government's will and intentions should be respected. In exchange for these concessions, countries should and can press for more carefully calibrated reforms to China's overseas presence – ranging from economic policies, aid policies, to how it operates multilateral institutions such as the AIIB and the Belt and Road Initiative.

Gradualism is not only an option, but a necessity, when it comes to China. The stauncher and harder the international community presses China, the less likely it is that moderates and reformists within the country would have the maneuvering room to convince their counterparts of the merits of liberalisation, devolution, and heightened accountability and transparency – none of which are distinctly "Western" in kind. [299] Nor should such critiques be couched in terms of "democracy-driven" ideology – each and every country has its own governing ideology, and to unduly hone in on particular ideological preoccupations, is neither practical in terms of motivating reforms, nor normatively justified.

[298] https://asia.nikkei.com/Opinion/China-and-the-West-see-each-very-differently-and-that-is-the-problem
[299] https://asia.nikkei.com/Opinion/This-is-why-I-will-never-abandon-Hong-Kong

A corollary of this is that in dealing with China, compartmentalisation is key – firewalling areas of cooperation off from areas of competition is vital, with the aim of minimising the space in which direct confrontation and conflict are viewed to be, or in fact, necessary. For instance, cooperating over climate change, public health crises, and international security should be kept distinct and disparate from competition along economic fronts. Even within the shared sphere of economics, China and the world at large should continually deepen their financial synergy and capital consolidation, even whilst competition proceeds along alternative dimensions – e.g. trade and commerce. It is imperative that countries eschew a zero-sum, all-or-nothing mindset when it comes to China. Only through listening, responding, and accommodating, could all parties – in their relationships with China – reap maximal rewards.

One caveat: as argued by analyst An Gang[300], "[…] the U.S. claimed that its approach to China will be 'competitive when it should be, collaborative when it can be and adversarial when it must be.' In other words, the U.S. doesn't want conflicts and disagreements to affect cooperation with China on issues that concern the U.S. This is fundamentally arrogant: The U.S. seeks to both suppress the development of China and restrict China's reactions — and that's never going to happen."

The world at large must remain vigilant and wary against the possibility that such compartmentalisation will not be taken kindly – necessarily – by the Chinese populace and government. The perception that the West is seeking to proverbially 'have the cake and eat it' is both ill-informed and dangerous – yet could well derail efforts at de-escalating and containing the bubbling tensions. If perceptions

[300] https://www.chinausfocus.com/foreign-policy/a-list-too-far

of the West are mishandled, relations between China and the world at large are likely to be further strained – which would be to no one's benefit.

A core motif has persisted throughout the public statements issued by Chinese diplomats – that is, their fundamental aversion to what they perceive to be signs of hypocrisy and inconsistency. Foreign Ministry spokespersons have repeatedly insisted that other states should "drop double standards on human rights"[301]. If criticisms by the global community are seen by the Chinese bureaucracy as unilaterally and unequivocally targeting only China – this would do very little in spurring China to change, adapt, evolve, or reform. Instead, what would most likely emerge – and this is indeed a phenomenon that is evidenced by recent events – is a risible, assertive brand of defensive nationalism, that renders the country recalcitrant and immutable towards any and all forms of external critique. This does the world at large very little favour. The world at large should all be cautious and mindful of this fact.

7.2.1.3 *Cultivating cross-national, perspectival empathy – seeing the world through China's lenses*

The final point on which this report will end, is that the world at large would benefit from developing perspectival empathy – an ability to view global events and changes through the lenses of China. A fundamental hamartia that afflicts many countries' interactions with China – is a relative deficiency in the "Chinese perspective". States often interpolate, or overlay, their readings of China with their own subjective preferences, values, and understandings of global affairs.

Yet China, as a historically rich and politically complex entity, cannot and should not be reduced into Western stereotypes alone. To parse China's behaviours,

[301] http://www.xinhuanet.com/english/2021-03/25/c_139835991.htm

preferences, and stances on critical issues through ostensible "universal values" – may render one's worldview more parsimonious; may indeed render states' foreign policy towards China more aligned and in-line with their domestic policy. Doing so, however, would do very little in ensuring that states can grapple with and predict – with accuracy and expediency – China's next moves and national policies.

Understanding China requires acknowledging the distinctive predisposition and orientation of its policymakers, appreciating the hierarchy and structures of selection and promotion, and making sense of its current problems and setbacks in view of the country's substantial achievements over the years. Such empathy must extend beyond linguistic or superficial resonance – in doing so, states would find themselves more attuned to the signals and messages expressed by China, but also more accustomed to the unique idiosyncrasies involved in cultivating deeper, interpersonal ties with Chinese diplomats, bureaucrats, and politicians.

None of this is to say that the international community must therefore accede to any and all of China's demands. Empathy does not imply concession; concession does not imply foregoing one's national interests. If anything, empathising with the Chinese perspective would enable the international community to better articulate their demands, worries, and suggestions in a manner that is amenable to Chinese interests – that can be readily interpreted and understood by China, not as hostile gestures, but as invitation to dialogue, compromise, and discussion.

The rising tensions between China and its neighbouring countries, as well as the world at large, need not be inevitable. Ameliorating and containing these problems, however, requires an active and conscious effort on the part of all stakeholders. Only through frank and rigorous conversations – unhindered by

ideological biases and presuppositions – could the world navigate fruitfully and strategically China's rise, and embrace it as a welcome change to the global order.

8 Conclusion

8.1 China's Rise : Legitimacy and Challenges

China's rise is – in many ways – a distinct and remarkable phenomenon in its rapidity, extent, and comprehensiveness. Yet its trajectory, in the grand schemes of history, is highly analogous and similar to the trajectories of many a past power – indeed, the United States included.[302] It is tempting to see China's story as extraordinary – yet doing so would obscure both the extent to which it has in fact learnt from other states' successes and slip-ups, and the very fact that China's story can and should be replicated by other states.

A more accurate understanding of China's contemporary history would require us to situate its developments in a wider historical context – in which the country has sought, and largely succeeded (economically) in pursuing the revival of its historical pre-eminence as a global power. Whilst China today does not seek to export its governance model and principles, it serves as a valuable exemplar and test case for countries seeking to pursue a similar developmental trajectory – one spearheaded and propelled by a potent and competent administration with a heavy grip over national politics and economic developments underpinned by a commitment to lift hundreds of millions out of poverty.

Over the past four decades of economic reforms and opening-up, China has lifted hundreds of millions out of poverty, recovered its historically well-endowed status as a leading global economy and exporter, and brought about substantial improvements to the quality of life of its citizens including numerous ethnic minority communities. Its astronomical developmental path has much to do with the country's emphasis upon infrastructural investment, ability to seize upon its

[302] https://www.youtube.com/watch?v=MuS1sXG1c6Q

comparative advantage of low wages, competitive workforce, and expansive depository of resources, and willingness to embed itself within the wider supply chains that constitute the global economy. China is as much a beneficiary of globalisation as it is of its top-heavy, yet dynamically responsive government.

The results of the substantive military, political, and economic reforms undertaken by the Communist Party of China (CPC) are apparent and significant. China's military has transitioned from a large, unwieldy, and inefficient army in the early 1980s, into a streamlined, effective, and highly disciplined force by the late 2010s. Economically, the country is now the world's largest in terms of total GDP (by purchasing power). Politically, China is amongst the leading contributors and leading powers in international organisations such as the United Nations, World Bank, and the International Monetary Fund, as well as establishing sustainable, viable parallel structures that complement – yet do not undermine, necessarily – existing initiatives and structures.

None of this is to say that China is perfect and the Chinese authorities would be the first to agree. Many structural issues exist – some have persisted stubbornly from the pre-reform era days; others are relatively nascent phenomena that resulted from the marketisation and economic liberalisation of the country. These issues range from structurally rooted corruption (albeit they have indeed been cracked down upon under the current administration), human rights concerns – especially in terms of civil and political liberties, to the country's deep-rooted nationalism which in many ways is not different from that in other nations such as America. It would be naïve to think that China is flawless, and that it need not seek self-improvements and reforms. Yet it has been through progressive transformations – ranging from reductions to pollution, streamlining and improving transparency in governance, enshrining stable succession norms, to

developing a truly tenable and inclusive "Double Circulation" economy – that the country has advanced the interests of all, as opposed to the select few.

Yet the international community would benefit vastly from recognising two core tenets concerning China's developmental pathways – the first, is that the interests of both the country and the international community alike are best served through frank, forthcoming, and egalitarian dialogue and conversations between national leaders and civil societies, as opposed to demonisation, castigation, and selective outrage; the second, is that it takes time for China to grow and mature as a power – that nationalistic and jingoistic narratives projected by state apparatus may not always be reflective and truly indicative of the country's real progress, but nor should they be discarded as mere propaganda, for there exists much truth in their portrayal and reflection of China's overcoming of struggles of its own.

All of this is to say, that there exist challenges and opportunities in how the international community has opted to engage China over recent years. On one hand, the economic bonds, multilateral political institutions, and open exchanges between civilians, academics, and youth between China and the rest of the world, have proven to be pivotal in uplifting the quality of life for a large proportion of China's population. Opportunities have grown out of – and will continually enrich China's international presence and collaboration with other states.

On the other hand, there remain, too, vast challenges – especially ones stemming from conflicting economic interests, clashing ideologies and value frameworks, as well as deterministive narratives that portray China and the West as ostensibly being on an inevitable path to confrontation. These narratives are disingenuous and erroneous, and would only serve to sow unnecessarily seeds of division between China and the rest of the world. It need not be a zero-sum or negative-sum game – all parties involved should be cognizant of this fact.

Most importantly, this report has hopefully offered a useful conduit through which those interested in China's rise, growth, and developments, can make sense of the distinct means through which China governs itself. The Chinese government is steered by a deeply rooted and historically grounded devotion towards its people – one could even term this as a point of foundational fixation. The ruling elite of China are interested in, in equal parts, the performance legitimacy of their administration, as well as the extent to which hierarchal legalistic norms are adhered to by the population, and upheld swiftly through official institutions. These two core tenets in turn underpin the perceived legitimacy of the regime, as well as its significant popularity amongst the masses.

8.2 Understanding China : International Cooperation

The above chapters have hopefully offered a helpful elucidation and introduction to many of the issues and features of China's past, present, and future. It is well worth noting that the above cannot, and should not be taken – in any meaningful sense – as an exhaustive account of all there is to China, one of the most enigmatic and dynamic countries in the world today. Instead, the intention of this report is to offer a comprehensive, balanced, and reasonably in-depth analysis of China – that hopefully succeeds in unpacking the merits and demerits of its ascent, how it governs, its interactions with the rest of the world, and the strengths and opportunities that characterise its present state. We cannot cover everything in but a few hundreds of pages – indeed, much of the above can and ought to be augmented and examined in more depth, with greater detail.

This report closes with the following remarks. Irrespective of where one stands on China – how one perceives, judges, or seeks to interact with China – it is of paramount importance that there exists sufficient understanding of China, and

what it has to offer. This process is by no means straightforward. At present, discourses over China are often heavily skewed by geopolitical and strategic calculus.

On one hand, a more balanced view on China does not mean acceding to the official narratives embraced by parties aligned with or against China – indeed, it would require us to do away with partisan and ideological preoccupations as much as is possible, in order to gain a truly reflective and accurate glimpse into China today. On the other hand, in search for balance and nuance, it is important not to conflate this task with one that shuts out sources, viewpoints, and opinions simply because of pre-existing biases concerning their ostensible credibility – or lack thereof. Official state media, unofficial media, investigative journalists, civil society research by thinktanks and academics, speeches, dialogues, open debates, these should all be drawn upon and leveraged as critical means of accessing the bigger, full picture concerning the country. This can be the starting point of understanding China and building a new era of cooperation.

This report has hitherto and largely refrained from adopting an excessively prescriptivist approach – for it is written with the conviction and belief that individuals, ranging from researchers, thinkers, to policy advocates and politicians alike, would benefit from making up their own mind on China and how to deal with China, after perusing the facts presented here. With that said, we hope to conclude with a few brief thoughts on how the future forward between China and the rest of the world ought to be navigated. We hope that the following could offer practical solutions largely amenable to all parties – regardless of their specific national and political commitments.

First, seek common understanding. Deeper understanding of this vast, ancient civilisation is a necessary, but insufficient, condition for mutually amenable

cooperation and collaboration. China benefits vastly from working with, not against, the international community – whether it be in cultivating its domestic legitimacy, in enshrining governance outcomes, or, indeed, in establishing its international presence and role as a leading global power. The world, too, benefits from a China that is more embedded and interconnected within the global political arena – a China that sees its interests aligned with, and not inimical to, the interests of the international order. None of these envisioned outcomes could be achieved without some serious search for common understanding and resolving of shared disagreements and conflicts between countries. Even if a common understanding of issues and convergence in stance cannot be fully achieved, it is of the utmost importance that all parties involved agree upon certain core facts and rules of engagement – and initiate a departure from the 'us vs them' geo-politics of recent years - concerning the path ahead for China and the world at large.

Second, pursue collaboration and cooperation wherever possible, but do so in a way that is mindful of the interests and baselines of all parties. China and the international community alike will inevitably possess clashing interests in certain areas, yet such divergences need not be all there is to China's international involvement. The best means of working with China – of aligning China's interests with the world's at large and vice versa – is to engage it across a wide range of collaborative ventures, whether it be challenges pertaining to climate change (where China's own track record in cracking down on pollution may come in handy), public health, and, indeed, the proliferation of terrorist groups and violent non-state actors. Yet such engagement must also take heed of and conform with the core values of both China and its counterparts alike. Collaboration is impossible without countries embracing the tenet to "agree to disagree" where resolution of differences is impossible.

Finally, keep all lines of communication – backchannels and track-II diplomacy in particular – open. More conferences, panels, and discussions featuring individuals from different stances and countries, including ones with conflictual preferences and attitudes towards particular affairs, should be held. Only then could open, unfettered, uncensored debates over critical issues of importance be held, with disagreements and grievances brought to the table in a productive and effective manner. There might be more that unites us than divides us – but this would be hard to realise, and even harder to have the public acknowledge – without spaces in which reasonable dialogue and conversations can be conducted. It is the hope of this report's authors, that the insights provided herewith has and will kickstart a series of much-needed conversations concerning China and with active Chinese participation.

Understanding China is no mean feat. Yet it is necessary – for all, not just China or other "major powers" – that they do so, in order to communicate and resolve the fundamental differences between them. Indeed, any other modus operandi would be irresponsible, disingenuous, and most dangerous if there is indeed a shared commitment to building a safer and fairer world.