

GLOBAL CHINA: DOMAINS OF STRATEGIC COMPETITION AND DOMESTIC DRIVERS

TARUN CHHABRA, RUSH DOSHI, RYAN HASS, AND EMILIE KIMBALL

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China has emerged as a truly global actor, and Beijing is increasingly wielding influence across a wide range of key strategic and geographic domains. As China's global profile expands, its international behavior implicates U.S. interests well beyond the confines of the U.S.-China relationship in ways that are only now being understood.

This installment of the Brookings Foreign Policy series “Global China: Assessing China’s Growing Role in the World” helps illuminate China’s expanding global influence in domains of strategic competition, as well as domestic trends in law and leadership politics that may inform the trajectory of Chinese conduct.

While there is ongoing debate about the contours of Beijing’s grand strategy and the degree to which President Xi Jinping’s leadership is a departure from his predecessors,¹ our contributors show that Beijing’s bid to expand its global influence is driving strategic competition not only in military affairs, but in other policy domains too. China is capitalizing on its economic strength by building influence through its Belt and Road Initiative (BRI), while also leveraging its overall national strength to pressure countries to desist from challenging its interests, particularly as they relate to contested territorial claims or China’s human rights record. China has also stepped up gray-zone and political influence activities, from island-building and lawfare in the South China Sea to disinformation campaigns around protests in Hong Kong and elections in Taiwan. Its growing activism increasingly poses a challenge to international human rights norms, including through Beijing’s counterterrorism tactics at home and abroad.

The United States must deepen its understanding and adapt its strategies for responding to China’s rapidly expanding use of full-spectrum statecraft, particularly in areas where China’s actions implicate vital American interests.

STRATEGIC DOMAINS

Each of our contributors examines China’s behavior within specific domains of strategic competition and offers prescriptions for U.S. policy. Within their respective areas of focus, the contributors ask a wide range of questions, including what China is doing, how competitive it might be, whether competition is likely to intensify, and what the implications of China’s behavior might be for U.S. interests and values, among other questions.

Michael O’Hanlon focuses on “gray-zone” military incidents in flashpoints such as the South and East China Seas that, while seemingly minor, could have major strategic consequences. O’Hanlon argues that the United States and its allies need a more comprehensive, less escalatory, and better integrated toolkit for managing these contingencies — especially given that China’s growing military capacity and trends in the evolution of warfare together pose growing challenges to U.S. power projection. In this context, argues O’Hanlon, economic warfare should play at least as significant a role as the use of force, and generally a larger role, in developing asymmetric defense strategies before a crisis occurs. Alongside integrated economic-military war plans, the United States should monitor its own and allied economic vulnerabilities, and develop multi-agency education and doctrine for economic warfare. O’Hanlon suggests that this

does not diminish the importance of preserving U.S. military superiority, but instead that America and its allies should seek to preserve escalation dominance in both economic and military realms. In developing policy options, the United States and its allies should be mindful that China's actions over the last decade demonstrate growing comfort with economic coercion of its own.

China, like the United States and Russia, is currently engaged in a major long-term effort to modernize its nuclear arsenal, resulting in a force that is growing larger and more survivable. **Caitlin Talmadge** argues that the United States is thus unlikely to avoid nuclear competition with China for two reasons: 1) the U.S. will be unwilling to give up its pursuit of nuclear advantages over China as Chinese forces grow larger and more sophisticated; and 2) China is not the only nuclear-armed state of concern to the United States, and U.S. defenses against another country may appear threatening to China, fueling further (if unintended) competitive dynamics. While elements of China's nuclear development can be understood as reasonable and defensive, many in the United States are nevertheless concerned about the erosion of a long-standing nuclear advantage relative to China. To manage this competition and reduce nuclear escalation risks, Talmadge highlights the importance of building off-ramps through direct crisis communication channels and proposes integrating China in an arms control framework that could encompass cyber, space, and other frontier technologies that affect nuclear stability.

Outside purely security-focused domains of competition, China is translating its growing economic power into global influence through the BRI. **David Dollar** explores the implementation of BRI infrastructure projects in Africa to better understand the initiative's broader trajectory. He pays particular attention to the scale of Chinese lending to Africa, the main countries borrowing funds, the infrastructure sectors involved, and the key projects underway. Dollar argues that borrowing countries are heterogenous in governance quality and that "debt-trap diplomacy" claims are overblown. While other analysts have noted that some BRI projects, such as a facial recognition project in Zimbabwe, seem to have the effect of entrenching authoritarian governance, Dollar argues that China

does not appear to favor authoritarian countries in its African projects to date. He writes that the United States and its allies should focus more on project benefits, while also providing additional resources to the International Monetary Fund to help developing countries manage their borrowing and improve budget management. He also suggests that the World Bank and other lenders should reduce loan processing times to offer more competitive alternatives to Chinese loans.

Dollar's economic analysis of BRI is complemented by the analysis by **Leah Dreyfuss and Mara Karlin** of China's military basing and force-projection strategies, which have built on BRI partnerships. These investments — and the construction of China's first overseas military base in Djibouti — have sharpened questions about China's motivations, which seem driven by its desire for a blue-water navy and its leadership's commitment to a strategy of "near seas defense, far seas protection." Dreyfuss and Karlin argue that, in the near to medium term, China will likely continue to forgo formal military alliances and full-fledged military bases, and instead seek partnerships intertwined with BRI projects that enable more flexible access and a foundation for future military cooperation. Pursuing potential military access through infrastructure projects is quicker, less expensive, and easier to operationalize than pursuing it through extensive military bases. Dreyfuss and Karlin also argue that China's reliance on imported energy and commodities, as well as its desire to protect overseas citizens and investments, are likely the paramount rationales for these new facilities, but China's growing military power and expanding global posture may shift these dynamics relatively quickly.

As China expands its overseas presence, including in some of the world's more troubled regions, it is likely to attract the ire of terrorist groups. **Daniel Byman and Israa Saber** show that, through economic partnerships and implicit support for illiberal approaches to counterterrorism, China has strengthened ties with many front-line states confronting terrorism. But this approach — illustrated most tragically in the indiscriminate oppression of Uighurs and other Muslims in Xinjiang Province — could generate significant protest from the United States and other liberal democracies that see China defining activities otherwise considered to be the exercise of universal

rights to religious freedom and political expression as terrorism. Byman and Saber argue that China's counterterrorism approach has yet to fundamentally alter China's foreign policy, but they see China's mistreatment of its own Muslim population and growing interests overseas, including through BRI, as increasing the odds that China will be targeted. By design or default, China may be thrust into a new, more global role in countering terrorism, but seems largely unprepared and ill-equipped to do so.

China seems more seasoned in deploying economic coercion, as Ketian Zhang documented in an earlier contribution to this series.² Building on this insight, **Richard Nephew** argues that China's growing assertiveness in applying economic sanctions will allow it to not only retaliate against the United States, but also to affirmatively apply sanctions in pursuit of Chinese policy objectives. Nephew also discusses U.S. vulnerabilities to disruptions in U.S.-China economic ties, including through reliance on Chinese financing. Nephew suggests that Washington and Beijing should consider bilateral consultations on sanctions, and that Washington should integrate sanctions development into contingency planning (concurring with Michael O'Hanlon). He also calls for increased U.S. intelligence and analytical capabilities focused on Chinese sanctions doctrine and practice.

DOMESTIC DRIVERS

Finally, two contributors surveyed domestic legal developments and leadership dynamics that may shape China's global influence.

Amidst ongoing debates about whether President Xi Jinping is facing a backlash against his policy transformations at home and abroad, **Cheng Li** assesses recent domestic political and socioeconomic decisions and concludes that Xi has repositioned himself as a populist leader domestically while overseeing China's rise as a global power. Xi has drastically changed the composition of the key national and municipal leadership to include many of his confidants; significantly increased the budget to eliminate poverty in inland, rural areas; and generated policy incentives to establish "super megacities." Li warns against underestimating Xi's domestic power and the popular support for his foreign policy.

Assessing Xi Jinping's institutionalization of Chinese Communist Party (CCP) control over the state and legal institutions, **Jamie Horsley** argues that, while the full impacts are not yet clear, the CCP's heightened involvement in state governance without corresponding legal accountability is a major shift that may threaten its decades-long effort to foster the law-based governance that it hopes will bolster its legitimacy. Moreover, the party's ambivalence toward law and its continued resort to extra-legal detentions and other coercive measures to deal with perceived enemies — including corruption suspects, activist lawyers, and ethnic minorities in Xinjiang and Tibet — may undermine the reliability of legal commitments and party ambitions at home and abroad.

In conclusion, these contributions suggest that the terrain of strategic competition between the United States and China is expanding, and domestic drivers of Chinese conduct seem unlikely to impose restraint. Future contributions will address additional dimensions of strategic competition from frontier technologies to ideology to East Asian security to the future of U.S. alliances. But this installment of papers already begins to establish a strong baseline for evaluating Chinese growing global influence, its implications for American interests, and potential American policy responses to China's growing activism.

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ABOUT THE AUTHORS

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