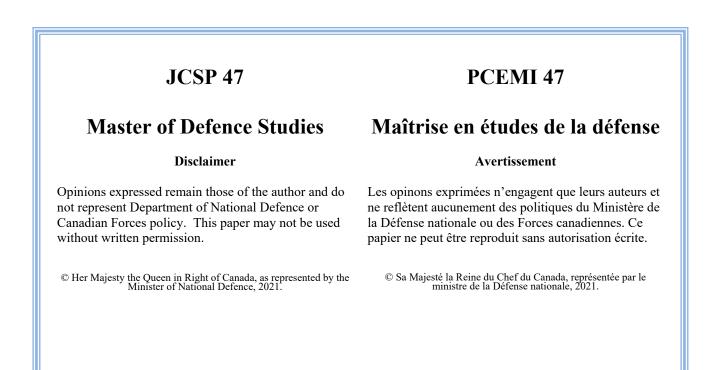






The Future of China in the Age of Xi: Western Policy Dilemmas on the Shifting Hegemony in Asia

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ABSTRACT

Having failed to understand China's geoeconomic ascent, Western democracies are faced with the need to develop policies and geopolitical strategies to oppose the Chinese Communist Party's subversive economic practices, as well as their tactics and ambition for geoeconomic control in Asia and Africa through the *Belt and Road Initiative* (BRI) military expansionism. This paper explores China's contemporary influence by examining the origins of its economic rise, and how China is translating that economic success into political power through established organizations, including the United Nations, and the creation of new organizations such as the Asia Infrastructure Investment Bank (AIIB). The West must also consider China's military modernization and expansionism and the possibility that this new fighting force is disrupting the balance of power in the Indo-Pacific. Specifically, the West must determine a response should China seek the re-absorption of Taiwan under the *One China Policy* through military intervention.

Beijing's recent attempts to erode democratic and judiciary freedoms in Hong Kong and the mass internment and treatment of ethnic Uyghurs in Xinjiang seems to be the catalyst for unified multi-lateral action against China on the basis of the UN Human Rights Commission call to action. The West must decide whether it is capable of accepting China's rise and the idea that the world's power will no longer reside with a single system and accept the emergence of multipolarity, or if it will seek to limit Chinese influence and maintain hegemony for itself.

CHAPTER 1: INTRODUCTION

Over the past 40 years, the West has sought to deepen ties with China with the belief that this exposure would lead to China's gradual move towards democratization and acceptance of the established rules-based order. While China outwardly declares to world the need for "winwin cooperation", historically China has not sought to conform to the established rules-based order, but instead create a parallel China-centric system. Having disregarded China's geoeconomic ascent, Western democracies are faced with the need to develop policies and geopolitical strategies to oppose the Chinese Communist Party's subversive economic practices as well as their tactics and ambition for geoeconomic control in Asia and Africa, military expansionism, and the re-absorption of Taiwan under the *One China Policy*.

This paper will explore the origins of China's contemporary influence by examining the origins of its economic rise, and how China is translating that economic success into political power through established organizations, including the United Nations, and the creation of new organizations such as the Asia Infrastructure Investment Bank. China is engaged in geoeconomic persuasion tactics through the Belt and Road Initiative (BRI), intending to open new markets and alleviate reliance on previous markets, namely the United States. The BRI is also seeking to diversify commercial trade routes, alleviating China's reliance on sea lanes of communication for the import and export of economic material. This paper will examine how China's modernization of economic infrastructure and trade routes is paired with the massive modernization and expansion of its military, as it seeks to re-establish the *Middle Kingdom*, where China can be the hegemon of Asia and act as a geopolitical pole to oppose the United

States. Part of China's expansion tactics also include reunification and repossession of Taiwan through persuasion, coercion or military force. The West must now decide whether it is capable of accepting China's rise and the idea that the world's power will no longer reside with a single system and accept the emergence of multi-polarity, or if it will seek to limit Chinese influence and maintain hegemony for itself. If the West seeks to limit China, is this even possible? How would economic or military interventions take shape, and could they be successful? While efforts for containment continue to resemble those of the Cold War era, the contemporary economic and ideological struggles faced by policy makers in regards to China are incomparable. A new Cold War, however, is unlikely to succeed "China in 2020 is not Russia in 1950... the China challenge is orders of magnitude more difficult because of China's massive economic power and our economies deep interconnectedness".¹

The recent political will and an impulse for the West to take a unified policy approach to influence China's behavior has not stemmed from the sense of reproach caused by economic coercion or external trade policies, but rather the increasing outcry for Western governments and international bodies to address China's human rights violations, such as its elimination of democratic and legal freedoms in Hong Kong, and the ongoing Uyghur genocide. By first understanding the history of China's economic and military rise, one can then examine the contemporary issues that have emerged and begin to develop policy responses to the question of China's geopolitical ascent. The following section will outline the normalization of China's diplomatic relations with the West and its economic rise.

¹ Josh Rogin, *Chaos under Heaven: Trump, XI, and the Battle for the 21st Century* (New York, NY: Houghton Miffin Harcourt, 2021), 190.

CHAPTER 2: CHINA'S ECONOMIC RISE and FUTURE AMBITION: THE BELT and ROAD INITIATIVE

China's economic rise over the past forty years and its position as one of the most important global trading partners is the foundation of the influence and power it now enjoys. China is seeking to shed its reliance on traditional markets and its position as a cheap labour base by increasing indigenous next generation high tech production capacity and fostering trade relationships with new partners. The economic success and financial freedom China now enjoys is being translated into geoeconomic and political influence. China is a nation with a long history and a very long memory. While the Chinese Communist Party (CCP) uses 5 year plans to guide its efforts, they do not operate with near sighted ambition of democratic election cycles with the requirement of re-election. While Mao's vision of the *Great Leap Forward* may have failed, since the end of the 1970s, China has made unmatched economic and industrial progress. Today, China is seeking to capitalize on its long assent from agrarian subsistence to a global leader in technology, manufacturing and international trade. With a view to the future, *China 2025* is the road map to technological innovation and freedom from the western high tech industrial hegemony.

China has great ambition re-establish itself as the "Middle Kingdom", the great power of Asia and major player on the world stage in time for the CCP's centenary in 2049. Today's China seeks to erase the shame of what has been historically known as *The Century of Humiliation*. The Chinese narrative of the century of humiliation has been used to exemplify foreign interference in Chinese domestic issues which resulted in its decline throughout the 19th and early 20th century.² China suffered defeats at the hands of outsiders and was forced to make concessions after the First Opium War 1839-42, the First Sino-Japanese War 1894-1895, the Boxer Rebellion 1899-1901 and most notably the Japanese invasion and occupation of Manchuria from 1931 until 1945.³ What we think of today as modern China emerged under Mao Zedong in 1949. Mao's image and the all-encompassing presence of the CCP has been so steadfast that it is often difficult to separate the idea of the State from its people. Mao's communist vision of *The Great Leap Forward* was largely unsuccessful, agricultural reforms resulted in an estimated 30 million peasants dying of starvation rather than being lifted from poverty.⁴ In the 1950s, during and after the Korean War, the United States and its allies imposed severe economic sanctions on China for siding with North Korea, thus stagnating any attempts for meaningful economic growth or opportunity.⁵ The *Cultural Revolution* of the 1960s and its resultant violence saw another 30 million killed.⁶ It was not until after Mao's death in 1976 and Den Xiaoping's succession over *The Gang of Four* that the economic tides would turn.

While Mao may have founded modern Communist China, it was the efforts of Deng Xiaoping as leader from 1978 until 1989 who set China on its course to becoming a modern economic powerhouse. Deng's efforts resulted in the lifting of sanctions and the normalization of diplomatic relations with the United States in 1979.⁷ Deng understood the necessity to open

² Lukas Danner, *The Tributary System and the 'Century of Humiliation'*. *In: China's Grand Strategy* (Cham: Springer International Publishing, 2018), 19-20.

³ Ibid

⁴ Kenneth Lieberthal, *Governing China: From Revolution Through Reform* (New York:

W. W. Norton, 2003), 60.

⁵ Inyeop Lee, Can North Korea Follow China's Path? A Comparative Study of the Nexus Between National Security and Economic Reforms (Pacific Focus, Vol. 34 No. 1, 2019), 107.

⁶ Kenneth Lieberthal, *Governing China*, 62.

⁷ Inyeop Lee, Can North Korea Follow China's Path?, 108.

markets and move from an agrarian subsistence economy to an industrial one in an effort to raise the future prospects of the Chinese people. He also decided that the re-orienting the state's capital expenditures from maintaining a huge standing army to modernizing production capabilities was necessary.⁸ This was a calculated risk, in the near term it would weaken China's defensive position but he was right that in the long term it would allow the nation to grow strong and capable of withstanding outside interference or threats of force. Deng understood that the cost of normalizing diplomatic relations with the West was opening the domestic labor market to attract foreign capital. This allowed China to meet the demands of the foreign appetite for cheap labour and cheap goods.

Deng undertook the dual policies of *gezhi zhengyi gongtong kaifa* "shelving disputes and joint development" and *taoguang yanghui* "hiding oneself and keeping a low profile".⁹ China would position itself as a cheap labour market for the production of goods for Western consumer markets. This allowed China to capitalize on its massive population and low manufacturing costs to build up economic reserves for investment in domestic rejuvenation.¹⁰ These efforts moved 99% of the Chinese population from below the poverty line, as it was under Mao, to 99% living above it today.¹¹ While the West remains surprised by the economic juggernaut that China has become, it should be no surprise to any government around the world. Its economic growth rates have outpaced global rates for the past thirty years.¹² In 2000, it was estimated that China had a

⁸ Lee, Can North Korea Follow China's Path?, 109.

⁹ Wenjua Nie. *Xi Jinping's Foreign Policy Dilemma: One Belt, One Road or the South China Sea?* (Contemporary Southeast Asia 38, no. 3, 2016), 426.

¹⁰ Graham Allison, *Destined for War: Can China and the United States Escape Thucydides's Trap?* (The Atlantic. September 24, 2015).

¹¹ *Ibid*, Note: \$2USD is the daily amount to be considered above the poverty line. As of 2020, median Chinese household income was approx. \$4,200USD while middle class median income is considered to be \$10,000USD. ¹² *Ibid*.

GDP half the size of the United States', while the United States retains the largest nominal GDP, as of 2014, China achieved a major milestone on the road to regaining its title as the *Middle Kingdom* when its Purchase Power Parity (PPP) GDP surpassed that of the United States to become the world's largest economy.¹³

Today is China is perhaps the world's most important trading partner. As of 2021, it is now the largest trading partner of the United States,¹⁴ and has surpassed the United States as the largest trading partner of the European Union (EU).¹⁵ In the Asia Pacific, Australia¹⁶ and the Association of Southeast Asian Nations (ASEAN)¹⁷ now both claim China as their largest and most important trading partner.

As China has grown more prosperous, it has also become more ambitious, and it no longer wants to remain the cheap labour market of the world or rely on other nations for more sophisticated electronic components and technologies. In 2015, China announced *Made in China* 2025 which aims at developing indigenous capacity and innovation in high tech sectors including medical science, aeronautics, artificial intelligence and perhaps most importantly for future selfreliance, semiconductor production. This technological overhaul and move towards value added manufacturing is "central to the so-called fourth industrial revolution, which refers to the

¹³ Ibid

¹⁴ United States. Census Bureau. *Foreign Trade: Top Trading Partners*, (January 2021). <u>Foreign Trade - U.S. Trade</u> with . (census.gov)

¹⁵ The Economic Times. *China overtakes US as EU's biggest trading partner*. (February, 15, 2021). <u>China overtakes US as EU's biggest trading partner (indiatimes.com)</u>

¹⁶ Dr. Anne Holmes, *Australia's economic relationships with China* (Australia. Parliament of Australia, n.d.) Australia's economic relationships with China – Parliament of Australia (aph.gov.au)

¹⁷ Association of Southeast Asian Nations. *External Trade Statistics* <u>https://asean.org/?static_post=external-trade-statistics-3</u>

integration of big data, cloud computing, and other emerging technologies into global manufacturing supply chains".¹⁸ One sector where China has a large trade deficit is the semiconductor market central to high tech production. In 2019, China consumed about 60% of global semiconductor production in its manufacturing facilities it only accounts for 5-6% of global production, the United States remains the world's largest producer, producing almost half of all semiconductors globally.¹⁹ Under *Made in China 2025*, China wants to produce 70% of all high tech components used in manufacturing by 2025 and 100% by 2049.²⁰ To reach these targets the Chinese government is heavily subsidizing high tech firms so that they can pursue the acquisition of key manufacturing technologies and resource chains overseas.²¹

While many nations around the world saw significant GDP contractions and economic setbacks during both the 2008 economic crisis and the COVID-19 pandemic, China demonstrated its economic resilience maintaining positive, although reduced growth rates.²² The Chinese government has several major advantages when it comes to maintaining fiscal and economic control. The government is the central authority and exercises significant influence over major aspects of the markets including money markets. China also maintains healthy sovereign wealth fund, The China Investment Corporation estimated to be worth \$1 Trillion

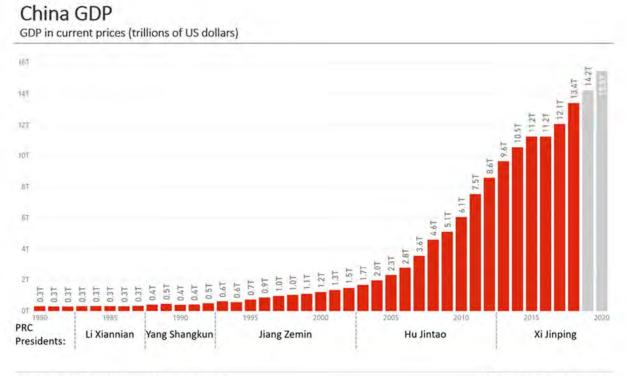
¹⁸ James McBride, Andrew Chatzky, *Is 'Made in China 2025' a Threat to Global Trade?* (Council on Foreign Relations, May, 13, 2019) <u>Is 'Made in China 2025' a Threat to Global Trade?</u> <u>Council on Foreign Relations</u> (cfr.org)

 ¹⁹ Semiconductor Industry Association. 2020 State of the U.S. Semiconductor Industry (n.d.) <u>2020 State of the U.S.</u>
<u>Semiconductor Industry - Semiconductor Industry Association (semiconductors.org)</u>
²⁰ McBride, Chatzky, Is 'Made in China 2025' a Threat to Global Trade?

²¹ Rush Doshi, *The United States, China, and the contest for the Fourth Industrial Revolution* (Brookings, July 31, 2020) <u>The United States, China, and the contest for the Fourth Industrial Revolution (brookings.edu)</u>

²² Kevin Yao, *China's economic growth seen hitting 44-year low in 2020, bounce 8.4% in 2021* (Reuters, October 27, 2020) China's economic growth seen hitting 44-year low in 2020, bounce 8.4% in 2021 - Reuters poll | Reuters

USD as of 2021 while most nations have increasing national debt.²³ The capacity to use its wealth fund for injection of capital into foreign and domestic markets as needed, paired with its manufacturing position globally has kept China's head above the proverbial rough economic waters.



Data Source: IMF World Economic Outlook, April 2019

Data Analysis by: MGM Research

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Now as China's long rise to preeminence is presided over by President Xi Jinping. This

new era of Chinese success seems to be deeply embedded in the Chinese psyche as the age of Xi,

²³ John Liu, Dingmin Zhang, China's \$1 Trillion Wealth Fund Gains 12% in 'Unusual Year' (Bloomberg, March 4, 2021) China's \$1 Trillion Wealth Fund Gains 12% in 'Unusual Year' - Bloomberg

 ²⁴ MGM Research. "China GDP Data And Charts 1980-2020" (18 April 2019). China GDP Data and Charts 1980-2020 - MGM Research

who is effecting the change needed to secure China primacy in Asia and independence from Western trade or political approval. Xi and the age of Xi is so central to China's view of themselves that the CCP reversed its rules on presidential term limits in 2018 making Xi president for life.²⁵ A rising China today is not the result of Xi Jinping's hard work, he is simply the leader who has capitalized on China's great efforts to build itself up over the past forty years. The equity which China has built up is now his to spend, he has embodied himself as the ambitious leader which will return China to greatness in time for the People's Republic of China (PRC) centenary in 2049. Xi wants to replace the *Century of Humiliation* with the *Century of China*, where China can once again be the great central power of Asia and one of the great economic and political poles of the global commons capable of competing directly with the United States and the West.

Central to this great Chinese transformation and the embodiment of Xi's foreign policy ambition and geoeconomic statecraft is the Belt and Road Initiative (BRI). Announced in Kazakhstan at the end of 2013 it was described as a re-envisioned modern day Silk Road.²⁶ As China seeks to build a new rules-based order with itself at the center its first order of business has been to secure the trade routes for the inbound materials needed for manufacturing and secure new export markets to sustain its economic engine. The BRI seeks to re-create the historic *Silk Road* with modern overland infrastructure and economic partnerships. One of the likely reasons for developing overland routes is that more easily insulated from foreign interference. Ninety percent of the value of Chinese trade before the BRI traveled by sea through the East and

²⁵ British Broadcasting Corporation, *China's Xi allowed to remain 'president for life' as term limits removed*, (BBC, March 11, 2018) <u>China's Xi allowed to remain 'president for life' as term limits removed - BBC News</u>

²⁶ Michael Clarke, *The Belt and Road Initiative: China's New Grand Strategy?* (Asia Policy 24, no. 1 2017), 77.

South China Seas, and 60% through the narrow and congested Strait of Malacca.²⁷ China's enormous appetite for energy also largely arrives by sea with 80% of Chinese oil imports arriving this way.²⁸ This places China in a precarious position as the United States Navy Aircraft Carrier Battle Groups and Western Allied nations patrol the East and South China Sea continuously. Although unlikely, there is a distant possibility of the United States attempting to enforce a naval blockade against China. There is also the possibility that a state or non-state actor could disrupt or shut down commercial trade traffic through the Strait of Malacca or other major trade choke points through conventional or asymmetric means. While the Chinese government has the financial means for sustaining the country and domestic markets through even a protracted disruption, it would not want to deal with the bad press of having such routes disrupted or blockaded and significant revenue impacts. While China might be able to hold out economically, oil reserves would certainly be front of mind in trying to resolve any such action. In March 2021, the world had a stark reminder of how delicate the flow of trade is through major shipping choke points when the massive container ship the Ever Given ran aground and blocked traffic in the Suez Canal for six days. An estimated 12% of global trade transits the Suez Canal, the shutdown has been estimated by Lloyd's of London to have cost \$9.6 billion daily.²⁹ A six day shutdown is not enough to exhaust national oil and gas reserves but it is a stark reminder of the vulnerability of seaborne trade. While BRI includes seaborne routes, its overland routes are key elements in alleviating the vulnerability which maritime chokepoints represent for the

 ²⁷ Centre for Strategic & International Studies, *How Much Trade Transits the South China Sea*? (China Power, January 25, 2021) <u>How Much Trade Transits the South China Sea</u>? | <u>ChinaPower Project (csis.org)</u>
²⁸ Ibid

²⁹ Justin Harper, *Suez blockage is holding up* \$9.6bn of goods a day (BBC, March 26, 2021) <u>Suez blockage is holding up</u> \$9.6bn of goods a day - BBC News

movement of market goods. China is endeavoring to open new markets to reduce reliance on the Western markets which have represented the bulk of trade over the past twenty years and diversify means of moving goods to market.

Despite China and Russia's close geographic relationship, permanent seats on the United Nations Security Council, and cultural differences with the West, they have had a relatively few economic ties. These cool relations seem to date back to the breaking off of relations by China from the Soviet Union known as the Sino-Soviet split of the early 1960s.³⁰ It seems that the BRI has heralded a new era of Chinese Russian economic partnership. While Xi and Putin both have large personalities and seek to avert any assertation of weakness politically or economically, their respective opposite polarity to Western influence offers the prospect of a valuable partnership. Additionally, their political strength and support is largely supported by maintaining economic growth and prosperity within their countries. With its vast oil and gas reserves, Russia serves as a natural partner for oil hungry China, while China offers cheap goods for the Russian domestic market. "despite being the world's largest energy producer and the energy consumer, which share a 2,600 km border have struggled to come together for a common purpose. ... history, suspicion, ideology continue to pose serious problems" but in 2014, a breakthrough deal between the two nations with a thirty year, \$40 billion deal between Russia's Gazprom and China National Petroleum Corporation.³¹ This deal represents a huge strategic gain in China's efforts to alleviate its reliance on oil imported by sea. A further sign of long term China and

³⁰ John Swift, *The Sino-Soviet Split. In: The Palgrave Concise Historical Atlas of the Cold War* (Palgrave Macmillan, London, 2003).

³¹ Robert D. Blackwill and Jennifer M. Harris, *War by Other Means: Geoeconomics and Statecraft* (Cambridge, MA: Belknap Press of Harvard University Press, 2017), 213.

Russia partnerships which seek to cut out Western corporations from domestic operations is the two countries joint development of commercial passenger aircraft. As China built up its domestic aviation industry, it had long been a purchaser of Russian built military aircrafts and technology.³² This new joint venture the China-Russia Commercial Aircraft International Corporation Limited (CRAIC) is set to build the CR929 and is aimed to compete directly with Boeing and Airbus. These aircraft seek to supply the growing domestic Chinese air travel industry and have the potential to undercut Airbus and Boeing on cost in a market with very thin margins.³³ This joint venture ties in well with China's move to grow its high tech and value added end of the production market fits well with its *Made in China 2025* ambitions.³⁴ With increased domestic capability in the aviation sector it will also have greater indigenous military production autonomy rather than relying on outside technology and manufacturing.

³² Alexander Korolev, *How closely aligned are China and Russia? Measuring strategic cooperation in IR* (Int Polit 57, 2020), 774-775.

³³ Brenda Goh, *China, Russia set up wide-body jet firm in new challenge to Boeing, Airbus* (Reuters, May 22, 2017). China, Russia set up wide-body jet firm in new challenge to Boeing, Airbus | Reuters

³⁴ McBride, Chatzky, Is 'Made in China 2025' a Threat to Global Trade?



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Amongst its neighbors in South Asia, perhaps its most valuable new relationship is the one it has developed with Pakistan. This partnership has been built through the China-Pakistan Economic Corridor (CPEC) which includes roads, railways, pipelines, energy projects. Perhaps the most important project is the Gwadar Port Complex which is intended to be "a nexus between Pakistan, Iran, China and Central Asian States".³⁶ The Port facility is a key strategic asset in the BRI which allows China if necessary to avoid goods transiting through the *Strait of Malacca*. While the port is owned by the Pakistani government it has been leased for 40 years by the China Overseas Port Holdings Company.³⁷ Given the contentious history between Pakistan and India, India is concerned for what Chinese access, particularly military access, to the port

³⁵ Centre for Strategic & International Studies. *How Much Trade...*

³⁶ Blackwill, Harris War by Other Means, 124.

³⁷ Zofeen Ebrahim, *What's Happening at Pakistan's Gwadar Port?* (The Diplomat, June 17, 2017). <u>https://thediplomat.com/2017/06/whats-happening-at-pakistans-gwadar-port/</u>

will mean for the balance of security in the region. Indian Security officials "fearing China wants to increase its economic influence in South Asia and use Gwadar as one of a string of Chinese financed ports in the region, where China's navy could seek shelter and supplies as it expands operations in the Indian Ocean".³⁸

China further fortified its position beyond the Strait of Malacca in 2017 when it secured a ninety-nine year lease on the Magampura Mahinda Rajapaksa Port in Sri Lanka. This port serves as both an economic transit point and a military naval facility for protecting Chinese interest in the region.³⁹ What this has demonstrated is that Chinese state owned companies are willing and eager to offer fair market prices or above to acquire large overseas infrastructure projects. In the case of Sri Lanka and many other developing nations struggling to keep up with debt payments and continually seeking refinancing from international monetary bodies. While perhaps short sighted, selling or signing long term leases with China for a huge influx of cash is extremely attractive. Although China may be seen as unscrupulous by the West for flexing cash to acquire this access, nations have the right to self-determination regarding their internal affairs and it is hypocritical for Western bodies to comment on such matters where they themselves have failed to support economic efforts for long-term development.

Also in 2017, China secured the use of port facilities for its military in Djibouti.⁴⁰ This serves key Chinese strategic interests both in regards to shipping transiting the *Gulf of Aden* and their economic and infrastructure projects in Africa. This is considered the first major move for

³⁸ Blackwill, Harris War by Other Means, 125.

³⁹ Lammuansiam Gangte, *The Debt-Trap Diplomacy Revisited: A Case Study on Sri Lanka's Hambantota Port*, (Artha Journal of Social Sciences 19, no. 2 2020): 55-56.

⁴⁰ United States. Office of the Secretary of Defence. *Military and Security Developments Involving the People's Republic of China 2020: Annual Report to Congress* (Washington, DC: U.S. Government Printing Office, 2020), 73.

the establishment of an overseas Chinese military base. This likely signals Beijing's intention for increased power projection abroad using the PLA in the future a significant shift away from operations that had previously been largely close to home. In particular, China has increasingly stepped up its contributions to UN peace operations in Africa, as a means of gaining recognition from both African governments and within the established international rules-based order.⁴¹

While BRI initiatives elsewhere seek to bolster geo-economic ties through existing markets and secure transportation corridors, Chinese ambition across Africa is to develop markets and trade with emerging markets. As China seeks to sustain its historically high rate of growth it needed to look beyond its established markets in the West to try and replicate demand for cheap goods elsewhere. China has seen the value in the vast emerging markets of Africa and has positioned itself as a partner for financing African ambition, infrastructure development and as a trade partner. Chinese loans have become the most attractive means for raising capital as they offer lower interest rates and fewer conditions than International Monetary Fund (IMF) loans.⁴² While IMF loans often require governmental or fiscal reforms, Chinese loans make no such demands.⁴³ Chinese engineering firms tend to bid under market value for initial contracts making them attractive for the construction of infrastructure projects meant to open up markets through an ease of movement not previously seen in the region. While China promised increased job opportunities in support of project in regions with high unemployment rates, the reality has been that Chinese engineering firms bring in as much as 70% of skilled and managerial workers

⁴¹ Jean-Pierre Cabestan, *China's Involvement in Africa's Security: The Case of China's Participation in the UN Mission to Stabilize Mali* (The China Quarterly 235, 09, 2018): 718.

⁴² Barry Eichengreen and Ngaire Woods, *The IMF's Unmet Challenges*, (The Journal of Economic Perspectives 30, no. 1 Winter, 2016) 39-40.

⁴³ *Ibid*.

from China, leaving only low paid unskilled labour positons for locals that do little to boost long term prosperity. Once Chinese firms have their feet on the ground they then use that equipment and workers to establish satellite offices in Africa to further undercut local firms.⁴⁴ China has also helped modernize telecom infrastructure and internet access with major projects including efforts to launch Huawei 5G technology.⁴⁵ This technological infrastructure revolution has been paired with Chinese tech companies targeting Apps for the African market particularly in entertainment and banking. Boomplay which was found by a Chinese Firm in Nigeria is now the continent's largest music streaming service with more than 60 million users. Chinese tech firms have also targeted digital banking applications in a market that has favored this form of monetary exchange over traditional brick and mortar solutions. Notably, new Huawei smart phones, which account for half of all new phones sold in Africa, now offer an M-PESA style app for Chinese crypto currency. Africa has become the testing ground for this emerging transactional system in preparation for Beijing's launch of the Digital Currency Electronic Payment (DCEP) system.⁴⁶ While China's political system remains entrenched in communism its economic system while still largely centrally controlled is fueled by business working in capitalist markets. The introduction of cryptocurrency is likely a means to curb tax evasion and maintain economic order, much in the same way that they social credit system is meant to maintain a grip on its populations behavior. China's interest is supporting a rejuvenated Africa was seen by many in Africa as an attractive alternative to Western options that held in their memory a legacy of

⁴⁴ Lumumba-Kasongo, Tukumbi, *China-Africa Relations: A Neo-Imperialism or a Neo-Colonialism? A Reflection* (African & Asian Studies 10, 2001), 256.

⁴⁵ Eric Olander, *Why the US campaign against Huawei will fail in Africa* (The Africa Report, July 20, 2021). <u>https://www.theafricareport.com/34171/why-the-us-campaign-against-huawei-will-fail-in-africa/</u>

⁴⁶ Amar Diwakar, *China is winning the digital currency race. Can it unseat the dollar*? (TRTWorld, March 3, 2021). <u>https://www.trtworld.com/magazine/china-is-winning-the-digital-currency-race-can-it-unseat-the-dollar-44689</u>

colonialism. China's luster on the continent has started to dull as countries are becoming weary of undue Chinese influence and loss of control of domestic markets, utilities and infrastructure.

It appears that China's ambition in Africa is far more neo-colonial than it is elsewhere, while they are not seeking to exert direct political control over the land they are coercive in their trade deals which seek to control natural resources.⁴⁷ In Africa, China has sought not just to secure market access but rather to secure access to natural resource rights for the raw material required to fuel manufacturing markets at home. In particular, securing access to rare earth elements required in high tech manufacturing and defence applications. In 2011, even before BRI investment took off, China paid \$3 billion for exclusive access to Zimbabwe's platinum rights. This was estimated to be a fraction of the true value and local media asserted that then president Harare's deal render Zimbabwe nothing more than a Chinese colony.⁴⁸ Coercive loan practices are also evident is deals such as Chinese loan to Angola in 2005 where "in lieu of conforming to the IMF conditions of transparency. A few of the stipulations include, China holding "the right to 10,000 barrels of oil per day" and 70% of the contracts must come from Chinese corporations".⁴⁹ A 2008 loan to the Democratic Republic of Congo for \$9 billion had stipulations regarding minimums to be spent on mining development and requirements for the use of Chinese firms and equipment. Congo is a vital market for Chinese sourcing of raw materials owing to its large deposits of copper, cobalt and coltan necessary for the production in the high tech sectors.⁵⁰ While there may be concerns over unscrupulous mining exploitation

⁴⁷ Lumumba-Kasongo, Tukumbi, *China-Africa Relations*, 259.

⁴⁸ Blackwill, Harris War by Other Means, 137.

⁴⁹ Lumumba-Kasongo, Tukumbi, *China-Africa Relations*, 257.

⁵⁰ *Ibid*.

perhaps the most concerning is the emerging pattern of Chinese companies buying up fertile agricultural lands required to feed the growing appetite of the Chinese consumer at home. This is leading to further concerns of food security within the African continent.⁵¹

As time goes on and China amasses more influence and control nations are wading into the waters of partnerships with them more cautiously. Many nations are realizing the fiscal and policy dilemmas they may face with the loss of control within their own boarders. In Brazil for instance, China's Three Gorges Corp controls several of the country's largest hydroelectric dams while China's State Grid International Development Limited has bought a controlling interest in the state's largest power distributor.⁵² This pattern of purchasing controlling interest in openly traded utility companies is being repeated across many regions but particularly in South America. Although many Central and South American nations may be seeking infrastructure investment or loans through the BRI their ability to remain independent of Beijing coercion is concerning. As countries lose control of publicly traded key infrastructure assets to Chinese state controlled firms they have increasingly less geo-economic and geopolitical leverage. At the same time China has increased not just its scope of financially-based geopolitical ambition but also its influence within major international world bodies.

⁵¹ Deborah Bräutigam and Tang Xiaoyang, *China's Engagement in African Agriculture: "Down to the Countryside"* (The China Quarterly 199, 09, 2009), 696-697.

⁵² Marcelo Teixeira, *China's State Grid to pay \$1.8 billion for big stake in Brazil's CPFL* (Reuters, July 1, 2016) China's State Grid to pay \$1.8 billion for big stake in Brazil's CPFL | Reuters

CHAPTER 3: BUILDING INFLUENCE

This chapter will examine how China's dominant market position and strong financial balance sheet is now being translated into political influence. China is no longer adhering to the old policy of "Hiding oneself and keeping a low profile", rather they are now the sleeping giant finally starting to stir. Over the past decade China has sought to build up its profile on the international stage by pursuing seats on the governing boards of leading global institutions. In many cases China has garnered the international support for these positions by courting small and developing nations with attractive loans and infrastructure investments. Where China has been unable to gain favorable positions within institutions or where they think a new parallel organization would be more advantageous they have created their own, such as the Asia Infrastructure Investment Bank (AIIB). These efforts to gain global status are tied in with the BRI's ambitious geoeconomic foreign policy and trade initiatives. While the BRI is being marketed as new era in infrastructure investment and economic cooperation it has key strategic value for China. The BRI is reinforcing many nations dependence on trade with China to service debt and allows China to maintain pressure on these nations for their support in the international forum. It also serves a key strategic asset to China militarily. These new overland routes means that China is no longer solely reliant for seaborne lanes of economic communication to sustain them. The presence of the United States military in South East Asia, particularly its large naval presence and the possibility of a seaborne blockade. This has surely been a source of great concern for China prior to the BRI, which seeks to restore their freedom of economic maneuver and provides the funding for military modernization and expansion.

China's economic freedom has allowed it to expand its ambition from that of production powerhouse to international influencer. China has determined that the best way to build influence within the established world order is through prominence in major international organizations such as the United Nations (UN). A twist of fate at the close of the Second World War gave the then Republic of China a permanent seat on the United Nation Security Council (UNSCR) which has provided the key foothold for this ambition today. Despite its UNSCR seat China had limited engagement for much of the twentieth century owing to the West's efforts of communist containment and the general omnipresence of the United States hegemony at the helm of global institutions. In the twenty-first century, China has steadily built a reputation as a willing participant in all UN international bodies with increasing contributions of both personnel and funds to international efforts. China currently holds senior leadership positions in four of the fifteen specialized UN agencies.⁵³

As of 2019 China has held the Director-General billet at the Food and Agriculture Organization of the United Nations (FAO).⁵⁴ Since 2019 China has held the Secretary-General position of the International Telecommunication Union (ITU).⁵⁵ The ITU has been a proponent of expanded 5G infrastructure and defended Chinese telecommunications giant Huawei publicly.⁵⁶ While many Western nations were bogged down with conflicts in Middle East and the migrant crisis in Europe, China continues to increase support to UN peace operations in Africa

⁵³ Rogin, Chaos under Heaven, 172.

 ⁵⁴ United Nations. Food and Agriculture Organization. Director General Qu Dongyu, Biography.
<u>Biography | Director General | Food and Agriculture Organization of the United Nations (fao.org)</u>
⁵⁵ United Nations. International Telecommunications Union. Secretary-General Houlin Zhao, Biography. <u>Office of the Secretary-General (itu.int)</u>

⁵⁶ Rogin, Chaos under Heaven, 173.

both in financial terms and troops.⁵⁷ One of Beijing's key strategies in building support within the UN has been to court small and developing nations with favorable loans and infrastructure deals in exchange for support at the UN.⁵⁸ Part of this quid pro quo is also the understanding that these countries will recognize the One China Policy. In recent years "African states who recognize Taiwan fell from thirteen (roughly half of all states recognizing Taipei globally) to only four."⁵⁹ Since 2015 China has held the Secretary General position at the International Civil Aviation Organization (ICAO) and as of 2018 that positon has been renewed for a second term.⁶⁰ China has also expanded its military presence within the UN. After China acquired the Secretary General position of the ICAO, the organization stopped inviting Taiwan to its annual assembly.⁶¹ This change in policy is in line with recent protest by China about the UN accepting Taiwanese identification for entry into headquarters buildings. As result Taiwanese ID's are no longer considered valid for entry.⁶² In 2017, Mr. Liu Zhenmin was appointed Under-Secretary-General of the UN's Department of Economic and Social Affairs, prior to his appointment he served as Vice-Minister for Foreign Affairs of China.⁶³ In his new role as Under-Secretary-General, Mr. Liu has been pushing to integrate partners and initiatives to align with Beijing's BRI.⁶⁴ While China is not currently a member of the executive of the World Health Organization (WHO) it has been aggressively courting the organization through increasing financial donation and heightened

⁵⁷ Cabestan China's Involvement in Africa's Security, 730.

⁵⁸ Blackwill, Harris, *War by Other Means*, 56.

⁵⁹ Ibid.

⁶⁰ United Nations. International Civil Aviation Organization. Secretary-General Dr. Fang Liu, Biography. <u>Secretary</u> <u>General (icao.int)</u>

⁶¹ Rogin, Chaos under Heaven, 172.

⁶² *Ibid*, 173.

⁶³ United Nations. Department of Economic and Social Affairs. Under-Secretary-General Mr. Liu Zhenmin, Biography. <u>Mr. Liu Zhenmin, Under-Secretary-General | United Nations</u>

⁶⁴ Rogin, Chaos under Heaven, 173.

medical diplomacy during the COVID-19 pandemic contributing medical supplies to relief efforts.⁶⁵ China's influence however is not simply within the organization which they head, across the UN "China has signed twenty-six memorandums of understanding with UN organizations for cooperation related to their massive Belt and Road Initiative"⁶⁶ demonstrating the far reaching nature of their influence at this time.

China has built up its prestige and international support within the UN by courting small and developing nations. Because voting for UN chair positions are democratically apportioned to each member nation regardless of size or contribution, by courting many small and developing nations with attractive loans, debt deferrals, debt forgiveness and infrastructure projects, China has amassed the support it requires. If there is any doubt as the level of cooperation from these states to support China for its financial support and aide we need not examine only support for UN chair positions. If we consider China's long term ambition of reunification of all previous held sovereign territories let us examine international recognition of Taiwan versus recognition of Beijing's *One China Policy*.

China's leading asset manager has openly predicted investment on disavowal of Taiwan, most notably succeeding in persuading Costa Rica inter severing relations with Taiwan through the purchase of \$300 million in bonds... Chinese FDI in Africa likewise comes only on recognition of Beijing's One China policy. It has proven effective.⁶⁷

⁶⁵ Reuters, *China to donate additional \$30 million to WHO for COVID-19* (Reuters, April 23, 2020). <u>https://www.reuters.com/article/health-coronavirus-china-who-idUSB9N2BR01A</u>

⁶⁶ Rogin, Chaos under Heaven, 171-172

⁶⁷ Blackwill, Harris, War by Other Means, 56.

China's successful pressure for institutions, organizations and countries to recognize their *One China Policy* and the disavowal of Taiwan is a clear indication of the geo-political and geoeconomic influence they now yield.

The UN isn't the only organization where China is now playing a leading role. From 2016 to 2018 Meng Hongwei was president of The International Criminal Police Organization (INTERPOL) for instance.⁶⁸ The most important international institution which China now has a leading relationship is perhaps the World Bank. Since 2016, Yang Shaolin formerly "Director General for International Economic and Financial Cooperation at the Ministry of Finance of China, in charge of economic and financial cooperation between China and foreign governments as well as international financial institutions" is now the World Bank's Managing Director and World Bank Group Chief Administrative Officer. China has built up their equity within international organizations with a view to influencing them in support of their most ambitious and all-inclusive long term strategic vision. China was preparing the geo-political landscape to accept, endorse and support the BRI. In 2017, then president of the World Bank Jim Kim said at an event hosted by the government of China that "Asian countries are just like a cluster of bright lanterns. Only when we link them together, can we light up the night sky" speaking to the economic prosperity and opportunity expected by partnering the World Bank and western financial institutions with the BRI.⁶⁹ Kim went on to say that "the World Bank Group will continue to support China's growing international role" through the expansion of the BRI.⁷⁰

⁶⁸ INTERPOL. Former Presidents. <u>Former Presidents of INTERPOL</u>

⁶⁹ Rogin, Chaos under Heaven, 174.

⁷⁰ *Ibid*.

Where China is unable to gain prominence within international bodies or where it feels a parallel organ of state controlled by Beijing would be better suited to shaping international relations, China has simply found an organization with themselves installed at the head of the organization. The most notable undertaking by Beijing to shake up the status quo was the development of the Asia Infrastructure Investment Bank (AIIB). The launch of the AIIB was announced by Xi Jinping in 2013, initial membership included fifty-seven member states including fourteen from the G20.⁷¹ The AIIB was meant to offer nations in Asia and Oceania access to loans for infrastructure modernization and economic development projects at rates below those of the IMF or World Bank.⁷² AIIB loans have now grown to include countries in the Middle East and Africa further broadening the scope of Beijing's influence in the world of finical diplomacy. While China's Silk Road Fund was meant to fund infrastructure investment related to the BRI, the line between AIIB and BRI are certainly blurred.⁷³ While BRI will likely bring sustained economic growth and stability to many regions this ambitious China centric initiative is now being funded through contributions from the now more than 100 AIIB member states.⁷⁴ It is unclear if China's AIIB ambitions will reinforce the values of the established status quo of the international order or if this will be a subversive change. Certainly AIIB is a mechanism for Beijing to challenge Western hegemony on the world stage as it relates to international bodies established preeminence. The question that Western financial systems need

⁷¹ Blackwill, Harris, War by Other Means, 114-115.

⁷² Jacob Fatile, I. Afegbua, and G. Ejalonibu, *New Global Financial Order and Promotion of Asian Infrastructural Investment Bank (AIIB): Opportunities and Challenges for Africa* (Africa's Public Service Delivery and Performance Review 4, no. 1 2016), 136.

⁷³ *Ibid*, 130.

⁷⁴ Asia Infrastructure Investment Bank. *Members and Prospective Members of the Bank*. (March 31, 2020). <u>https://www.aiib.org/en/about-aiib/governance/members-of-bank/index.html</u>

to ask is whether or not the international economic system can remain stable with two major funding systems one Eurocentric and the other Sinocentric. The presence of G20 states as members of AIIB is a clear indication that nations which have historically been aligned with a US Hegemonic system are aware that it is in their best interest to remain engaged with emerging trends in finance and economic policy in this important economic region. It seems that for now China is winning the hearts and minds of leaders of developing nations throughout the Asia Pacific and Africa through this geo-economic statecraft.

CHAPTER 4: CHINESE MILITARY and TERRITORIAL AMBITION

This chapter will examine how the age of Xi has seen an acceleration of Chinese ambition to control the South and East China Sea. Xi's goal is to have regional actors accept China's territorial claims within the Nine-Dash-Line and the reunification of Taiwan under Beijing's control by 2049. To ensure these ends, Xi is fortifying China's military position and growing its capacity so that armed intervention or resistance can be used to effect the change necessary should other geo-political and geoeconomic ends fail to achieve it. To counter the threat of the massive presence of the United States military in the Indo-Pacific, Xi's has leveraged initiatives such as Made in China 2025 and Military-Civil-Fusion to build up a selfreliant indigenous military-industrial complex. While Western nations have floundered in designing, funding and delivering new generations of military projects, in particular Naval fleet renewal, Peoples Liberation Army modernization and expansion continues to accelerate. Additionally, China has made moves towards the militarization of its Coast Guard by granting it greater authority while it continues to leverage grey-zone actors in the form of Maritime Militias. China's militarization of occupied island features in the South China Sea and their failure to vacate the following an international court ruling paired with increasingly hostile tactics is a clear indication that they do not intend to participate in resolution through the international rules based order on these matters. The United States and its allies are now acutely aware of the threat that China and its increasingly hostile actions represent. They will need to take serious and coordinated cooperative actions to rebalance power in the Indo-Pacific.

During the First and Second Gulf Wars, the United States and its allies demonstrated the overwhelming military superiority and massive effects they could bring to bear across the entire

spectrum of warfare. Seeing this, China realized that it would need major investment in its domestic military industrial complex if they wanted to overcome what they called "American Magic", that is the United States capacity to bring to bear coordinated attacks on the battlefield, from the use of ballistic missiles, smart munitions and satellite technology.⁷⁵ If China was to re-establish itself as the *Middle Kingdom*, a key strategic requirement would be a modern military. First China would need near peer technology with the West for security at home free from fear of invasion, to achieve this "The PRC's long-term goal is to create an entirely self-reliant defense-industrial sector—fused with a strong civilian industrial and technology sector—that can meet the PLA's needs for modern military capabilities".⁷⁶ Secondly they would require the capacity to project military power in Southeast Asia to protect strategic and economic interest, in particular their claim to the territory within the *Nine-Dash Line* and a view of reunification with the islands of Taiwan under the *One China Policy*.

The sustained presence of the United States military in Asia and the support it provided to its Asian allies was is a serious concern for the future security China. The United States military maintains forces on the Korean Peninsula including its largest overseas base. Military instillations on the Korean peninsula include more than 28,000 US personnel across all branches of the military.⁷⁷ In Japan, the United States supports the Japanese Self Defence Force and maintains the United States Navy's 7th Fleet which includes the USS *Blue Ridge*, one of only two

⁷⁵ Graham Allison, *Destined for War Can America and China Escape Thucydides's Trap?* (New York: Houghton Mifflin Hancourt, 20170, 129.

⁷⁶ United States. *Military and Security Developments*, 138.

⁷⁷ Hyonhee Shin, Joyce Lee, U.S. and South Korea's security arrangement, cost of troops, (Reuters, March 7, 2021). Factbox: U.S. and South Korea's security arrangement, cost of troops | Reuters

Command Ships in the USN's fleet meant to coordinate large scale naval and air operations.⁷⁸ The fleet is comprised of Carrier Strike Group Five with the aircraft carrier USS Ronald Reagan, three Ticonderoga and seven Arleigh Burke destroyers stationed out of Yokosuka with additional vessels stationed in Sasebo.⁷⁹ Other nations based out of Japan carry out patrols in the East China Sea to enforce United Nations Security Council Resolution (UNSCR) 1718 enforcing sanctions against North Korea.⁸⁰ The United States Navy, maintains an almost constant presence in the South and East China Sea with Aircraft Carrier Battle Groups carrying out Freedom of Navigation Operations (FONOPs).⁸¹ The US naval presence exercises have expanded in recent years to include allies from around the world.⁸² Some nations such as the Philippines are forced to walk a diplomatic tightrope as they confront China in international courts for arbitration over the South China Sea. Vietnam faces routine Chinese military and economic encroachment into their Economic Exclusion Zone including interfering with oil and gas exploration. Vietnam feels that the United States commitment to defence treaties is lacking and that ASEAN alone is unable to stand up militarily or economically to Chinese aggression in the region.⁸³ The most contentious relationship is undoubtedly that which exists between Taiwan and the United States. Since 1979, the United States has maintained the intentionally ambiguous *Taiwan Relations Act*:

Taiwan Relations Act committed the US to providing Taiwan with military equipment for defensive purposes and suggested, but did not make explicit. An American commitment to Taiwan's defense. Deterring China from

⁷⁸ United States. United States Navy. 7th Fleet. Fact Sheet. Facts Sheet (navy.mil)

⁷⁹ Ibid.

⁸⁰ United Nations. United Nations Security Council Resolution 1718. <u>Resolutions | United Nations Security Council</u>

⁸¹ Rebecca Strating, *Defending the Maritime Rules- Based Order: Regional Responses to the South China Sea Disputes*, (Policy Studies no. 80 2020), 28

⁸² *Ibid*, 26-28.

⁸³ *Ibid*, 52.

using force against Taiwan and dissuading Taiwan from seeking greater independence.⁸⁴

In past decades, this reassurance to Taiwan from the United States and its vast military presence was the main factor used to keep China in check, particularly when it came to Taiwanese reunification through military intervention. Over the past twenty years, however, the US and Western allies have seen relative stagnation in naval renewal due to 2008 Economic Crisis, Eurozone Crisis and a focus on anti-insurgency operation in the Middle East and Africa. Allied nations have struggled over the past two decades to cope with the huge costs and complexity of naval procurement. The United States undertook the costly development and production of two new classes of next generation warships, the *Littoral Combat Ship* and the *Zumwalt* destroyer. Costing \$4 billion over twenty years and delivering a fraction of the ships expected, of the thirty-two *Zumwalt* destroyers which were expected to be produce only three were delivered.⁸⁵ These arguably overly complicated ships have been passed over in favour of the USN's tried and tested generations of *Arleigh-Burke* guided-missile destroyers.

The United Kingdom has experienced similar budgetary and production difficulties with their newest generation of warships for the Royal Navy. The highly capable Type 45 air defence destroyers cost £1.08 billion more each than originally expected and were delivered two years behind schedule.⁸⁶ The United Kingdom also faced overruns and delays in the delivery of their two newest aircraft carriers the *Queen Elizabeth* and the *Prince of Wales* which are to support a

 ⁸⁴ Kurt M. Campbell, *The Pivot: The Future of American Statecraft in Asia* (New York: Twelve, 2016), 184.
⁸⁵ David Axe, *The U.S. Navy Wasted A Whole Decade Building Bad Ships*, (Forbes, Jan 5, 2021). <u>The U.S. Navy Wasted A Whole Decade Building Bad Ships</u> (forbes.com)

⁸⁶ Bernice Baker, *Sunk Costs, Why Naval Programs Go Over Budget*, (Global Defence Technology June 2020). Why naval programmes go over budget - Global Defence Technology | Issue 112 | June 2020 (nridigital.com)

new wing of F-35 combat aircraft. *Queen Elizabeth* has now been delivered after a two year delay and 95% in cost over runs for both vessels rising from £3.9 billion to £7.6 billion, *Prince of Wales* is still under construction with its cost consuming a huge portion of the defence budget.⁸⁷

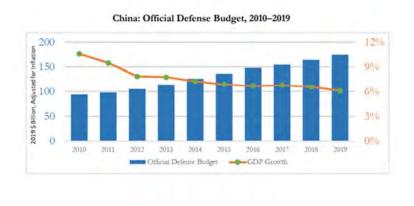
Canada is also undertaking a once in a generation procurement and shipbuilding strategy which will replace its fleet of aging combat vessels. Consecutive governments delaying procurement and lengthy bids has caused the project to drag on for almost a decade driving costs up, the most recent estimate is that it will cost at least \$60 billion to deliver the project.⁸⁸ Canada will now be purchasing fifteen Type 26 frigates to replace its current fleet of frigates and its already decommissioned destroyers.

⁸⁷ *Ibid*.

⁸⁸ Canada. Department of National Defence. *Canadian surface combatant*. (Government of Canada, Feb 3, 2021). <u>Canadian surface combatant - Canada.ca</u>

MILITARY EXPENDITURES TRENDS

In early 2019, the PRC announced a 6.2-percent inflation-adjusted increase in its annual military budget to \$174 billion, which is approximately 1.3 percent of gross domestic product. This year's budget continues more than 20 years of annual defense spending increases and sustains the PRC's position as the second-largest military spender in the world after the United States. The PRC's defense budget has nearly doubled during the past 10 years—data from 2010 through 2019 indicates China's official military budget grew at an annual average of approximately 8 percent in inflation-adjusted terms. Based on its official defense spending figures, which omit several major categories of expenditures, the PRC can support continued growth in defense spending for at least the next five to ten years, based on economic data and growth projections.



As the West has floundered in attempting to modernize its militaries to keep pace with emerging technologies and trends, China has made huge investments in their military. China has increased defence spending annually for the past 20 years, in 2019 the defence budget was officially increased by 6.2 percent to \$174 billion however, "the PRC's published military budget omits several major categories of expenditures and its actual military-related spending is higher than what it states in its official budget".⁹⁰ It also uses a whole of government approach to the modernization of its military forces as demonstrated by the initiatives *Made in China 2025* and *Military-Civil-Fusion* (MCF):

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⁸⁹ United States. *Military and Security Developments*, 139.

⁹⁰ *Ibid*, 138-139.

The PRC has mobilized vast resources in support of its defense modernization, including the implementation of its Military-Civil Fusion (MCF) Development Strategy, as well as espionage activities to acquire sensitive, dual-use, and military-grade equipment.⁹¹

These initiatives are in line with the broader vision of the rising China in the era of Xi and a clear indication of his capacity to harness the nation's economic and industrial core to move towards a singular goal. Xi understand that the capacity to project world class military power is necessary for the final phases of securing strategic economic interests for China in Asia as well as his ultimate goal of ensuring Taiwanese re-unification by the PRC's centenary in 2049. The outgoing commander of the United States Indo-Pacific Command, Admiral Phil Davidson told the Senate Armed Services Committee that China is likely to try to repossess Taiwan ahead of 2049 and as soon as the next decade using military force:

> I think our concerns are manifest here during this decade, not only on the development – the numbers of you know, ships, aircraft, rockets, etc. that they've put in the field...I worry that they're accelerating their ambitions to supplant the United States and our leadership role in the rules-based international order, which they've long said that they want to do that by 2050. I'm worried about them moving that target closer," he continued. "Taiwan is clearly one of their ambitions before then. And I think the threat is manifest during this decade, in fact in the next six years.⁹²

The incoming commander of the Indo-Pacific Command, Admiral John Aquilino

believes that a coalition of allied nations and the addition of fifth-generation F-35 to the

⁹¹ United States. Military and Security Developments, 138.

 ⁹² Shelbourne, Mallory. "Davidson: China Could Try to Take Control of Taiwan In 'Next Six Years'". (USNI News,
9 March 2021). <u>Davidson: China Could Try to Take Control of Taiwan In 'Next Six Years' - USNI News</u>

command will be necessary to combat the emerging military threat which the PRC poses to Taiwan.⁹³

In 1996, a report by the RAND Corporation outlined the poor conditions of the People's Liberation Army Navy PLA(N). It found that it was ill equipped to compete in the modern battlespace with the majority of its equipment based on 1950s Soviet technology, only three of fifty-seven surface combatants carried anti-ship missiles, its submarines were noisy with questionable serviceability and their officer core was poorly trained by Western standards.⁹⁴ This Chinese military stagnation did not last. In 2000, a United States Department of Defence report stated the PLA was slowly and unevenly adapting to the trends in modern warfare"⁹⁵, this seemingly benign statement demonstrates that the United States had little or no concern that China possessed the potential to emerge as a near peer adversary in the near term. China would continue to grow its military ambition. In 2012, President Hu Jintao made statements that China would become a maritime power capable of safeguarding its maritime rights and interests.⁹⁶ Statements regarding maritime ambitions should have been taken seriously; as previously demonstrated, China became the world's largest shipbuilder in 2011 with production by tonnage representing 43% of global market share.⁹⁷ China would go on to integrate this large production

⁹³ Shelbourne, Mallory. "Military Takeover of Taiwan Is Top Concern for INDOPACOM Nominee Aquilino". (USNI News, 23 March 2021). Military Takeover of Taiwan Is Top Concern for INDOPACOM Nominee Aquilino -USNI News

⁹⁴ Eric Heginbotham, Michael Nixon, Forrest E. Morgan, Jacob L. Heim, Jeff Hagen, Sheng Tao Li, Jeffrey Engstrom, et al. The U.S.-China Military Scorecard: Forces, Geography, and the Evolving Balance of Power, 1996-2017. Www.Rand.org. 2015, 26.

⁹⁵ United States. *Military and Security Developments*, i.

⁹⁶ How Is China Modernizing Its Navy? (ChinaPower Project. January 9, 2019). How is China Modernizing its <u>Navy? / ChinaPower Project (csis.org)</u> ⁹⁷ Themistoklis Zanidis, *The Chinese Navy: A New Force Is Rising in the East*. (Modern Diplomacy. July 1, 2020).

The Chinese Navy: A new force is rising in the East - Modern Diplomacy

base into its military-industrial complex. Since 2014, the PLA(N) has been growing at a staggering rate, in 2016 and 2017 China launched 18 and 14 major warships respectively, while the United States launched only 5 and 8. China is expected to similarly outpace the US in production of naval vessels over the next decade.⁹⁸ As of 2020, China possess the world's largest naval force, numbering 350 to the United States' 293 ships.⁹⁹ The final step to achieving Chinese naval modernization was building an entirely indigenously designed aircraft carrier. China achieved this milestone in 2019 with the launch of the Type 002 Shandong, there are now two additional aircraft carriers under construction with increasing capabilities, the next one, a Type 003 is due to be commissioned in 2023.¹⁰⁰ Once this Type 003 indigenous aircraft carrier is completed, this will bring China's total number of aircraft carriers to four with a fifth in production. While current PLA(N) aircraft carriers capabilities cannot yet compete with those of the USN, this is a movement by the PLA(N) towards full Blue Water Navy capabilities. The USN currently maintains one Aircraft Carrier Battle Group forward deployed to Japan and frequently has one to two additional Carrier Battle Groups join it in the Asia-Pacific on exercise. Additionally, China's 350 strong PLA(N) fleet does not count the Chinese Coast Guard, which is considered a separate entity. While at this time the Chinese Coast Guard's vessels are not armed with anti-ship missiles, they are armed with a range of weapons from small arms all the way up to 76mm main guns capable of disabling or destroying even very large vessels and is a force comprised of more than 130 cutters.¹⁰¹

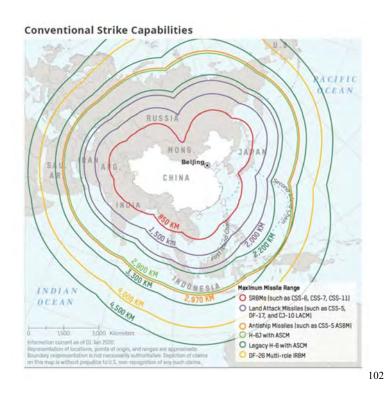
⁹⁸ Zanidis, The Chinese Navy: A New Force Is Rising in the East.

⁹⁹ United States, Military and Security Developments, vii.

¹⁰⁰ *Ibid*, 44.

¹⁰¹ *Ibid*, 71.

The United States military argues that numbers are not the only metric to measure a navy's capabilities or power. The United States military's capacity to coordinate and carry out multi-domain, full spectrum warfare provides them the ability to bring to bear huge amounts of sophisticated war fighting machinery. Until the PLA can integrate across all domains of the battle space they will be unable to compete directly with the United States as a peer, the rapid pace of modernization and training being pursued by the PLA, however, suggests that this is a near term possibility. The USN is still required to project US power globally and defend itself at home. China, for the time being, is not seeking to project military power globally but rather, are seeking to dominate the economic and geographic battle space within the First Island Chain of the South and East China Seas.



¹⁰² United States, Military and Security Developments, 57

Inside the First Island Chain, China has the advantage of proximity to shore based facilities to launch and recover aircraft and to resupply their forces. China can field in the fight all of their 350 vessels while the United States and its allies would need to draw down all available resources to deploy to meet the challenge. Even with the complexity of the modern battle space, number of units remains a key metric with the adage in a missile war of "shoot the archer, not the arrows". China is also capable of conducting Anti-Access Area-Denial (A2AD) activities with their massive arsenal of shore-based anti-ship and ballistic missiles. It is estimated that the People's Liberation Army Rocket Force (PLARF) now has at their disposal 350 short and medium range missiles.¹⁰³ These missiles are capable of reaching US military installations in the Korean Peninsula and Japan. They also possess approximately 200 road-mobile intermediate range ballistic missiles with a range capable of reaching US military installations on Guam which would serve as the United States' forward operating hub for a conflict in the Asia Pacific.¹⁰⁴ The development and production of indigenously built Chinese nuclear-powered and ballistic-missile-armed submarines poses further threat to the mobilization of US or Western Alliance naval forces. While numbers remain low and sustained deployments far from home remain aspirational, given the speed at which China has acquired other technological and practical breakthroughs, it likely will not be long until the PLA(N) are routinely patrolling beyond the First Island Chain into the Pacific, and perhaps as far away as the Mediterranean or Atlantic, at which time China will be able to demonstrate significant strategic military power projection.

¹⁰³ United States, *Military and Security Developments*, 59. ¹⁰⁴*Ibid*.

While USN and allied navies continue to conduct routine patrols of the South and East China Sea, hostile interactions with Chinese Military and Coast Guard vessels are increasing. These interactions have seen a growing hostility and more aggressive maneuver by Chinese units in recent years. In particular China is responding aggressively to FONOPs and military exercises in the vicinity of Taiwan as well as the contested island features of the Spratly Islands. One example of aggressive interaction was in 2018 when the PLA(N) destroyer Lanzhou disregarded the International Regulations for the Prevention of Collision at Sea (COLREGS) and maneuvered dangerously close to the USS Decatur passing as close as forty-five yards and broadcasting over their radio that there would be consequences for their passage in the area.¹⁰⁵ Other Asian nations with claims on islands and natural resource rights are becoming increasingly weary of Chinese aggression and concerned for the safety of their military and civilian vessels in the area. For the time being, it appears that Asian partners have lost faith in the USN and the international court of arbitration to take effective action against China. Despite China being a signatory to the United Nations Convention of the Law of the Sea (UNCLOS) it has failed recognized the 2016 international court ruling or give up any occupied island feature in the South China Sea. ¹⁰⁶ Following the ruling, the PLA continued to militarize their island features but as of 2019, it appears that they have halted land reclamation efforts, for the time being.¹⁰⁷

China has undertaken significant reclamation and militarization operations on archipelagos of the Parcel and Spratley Islands in the South China Sea. The Parcel Islands are

¹⁰⁵ James Goldrick, *Naval Encounters the "New Norm" in the South China Sea*, (The Maritime Executive, November 9, 2018). <u>Naval Encounters the "New Norm" in the South China Sea (maritime-executive.com)</u>

¹⁰⁶ Strating, *Defending the Maritime Rules-Based Order*, 52.

¹⁰⁷ United States, *Military and Security Developments*, 101.

claimed by both China and Vietnam and the Spratley group has claims from China, Vietnam, Philippines, Malaysia, Brunei and Taiwan.¹⁰⁸ The militarization has included reclamation of 3,200 acres of land across seven outposts. Three outposts at Fiery Cross, Subi, and Mischief Reefs represent the greatest infrastructure and include aviation and port facilities as well as accommodations blocks and major weapon systems installations.¹⁰⁹ China's failure to recognize the 2016 ruling under international tribunal convened to examine its claims over the islands is a clear indication of Beijing is not fully committed to participating wholly within the international rules based order. The PLA's continued land reclamation and militarization of the island features suggests that in the future, Beijing may use military coercion to assert its interests in the South China Sea when diplomacy and economic means fail.

In addition to a growing Navy, China also maintains a fleet of Coast Guard vessels as well as a maritime militia known as People's Armed Forces Maritime Militia (PAFMM) which operates in a grey-zone of authority and reporting which comprises much of the Chinese fishing fleets.¹¹⁰ They patrol not only the internationally recognized domestic waters of China but also contested areas within the *Nine-Dash-Line* and report back to Beijing or act in coordination with national forces for acts of intimidation. In March 2021, Beijing sent a fleet of more than 200 fishing vessels to the Whitsun Reef area, one of the island features claimed by and within the Philippines Economic Exclusion Zone escalating tensions between the two countries.¹¹¹ As

¹⁰⁸ Lai Yew Meng, "Sea of Cooperation" Or "Sea of Conflict"?: The South China Sea in the Context of China-ASEAN Maritime Cooperation (International Journal of China Studies 8, no. 3, 12, 2017), 331.

¹⁰⁹ United States. *Military and Security*, 101-102.

¹¹⁰ *Ibid*, 71.

¹¹¹ British Broadcasting Corporation, *South China Sea dispute: Huge Chinese 'fishing fleet' alarms Philippines*, (BBC, 21 March 2021). <u>South China Sea dispute: Huge Chinese 'fishing fleet' alarms Philippines - BBC News</u>

Chinese prosperity grows there will be increased strain of domestic food supply chains and increased appetites for ever greater fisheries exploitation. Intimidation and intervention from China has been growing and Chinese fishing fleets operating in the region, are exploiting a limited natural resource, these actions are increasingly likely to result in conflict or confrontation with neighboring nations.

In February 2021, the Chinese government passed new legislation expanding approved operations for its Coast Guard which is cause for great concern for a number of nations in the region. This new legislation approves the use of force, up to and including deadly force by the Chinese Coast Guard to enforce arbitrary exclusion zones around disputed islands and oil and gas exploration platforms.¹¹² Given the increased tension surrounding disputed islands this is another tool in the Chinese arsenal of intimidation. Beijing does not just have its eyes set on the rich fisheries of the South China Sea, it is also looking to exploit the rich oil and gas reserves of its seabed. The richest region for oil and gas, however, has overlapping territorial claims from Vietnam and the Philippines and falls within the internationally unrecognized *Nine-Dash-Line*. In the spirit of so called mutual cooperation Beijing has sought joint ventures with Hanoi and Manila for development with the caveat that China's territorial claim is recognized. Due to the political implications of such recognition joint ventures have been unsuccessful. Growing demand for oil imports to Asia make this a potential flash point for confrontation as competing interests converge in close quarters.¹¹³

¹¹² Shin Kawashima, *China's Worrying New Coast Guard Law*, (The Diplomat, March 17, 2021). <u>China's Worrying</u> <u>New Coast Guard Law – The Diplomat</u>

¹¹³ International Crisis Group, *Stirring up the South China Sea: Oil in Troubled Waters*, (Asia Report No. 275, January 26, 2016). <u>Microsoft Word - 275 Stirring up the South China Sea IV - Oil in Troubled Waters.docx</u> (d2071andvip0wj.cloudfront.net)

Certainly this is concerning for the United States as one island group, the Senkaku/Diaoyu Islands, is disputed between China and one of the United States closest non-NATO allies, Japan. An armed confrontation here could draw the United States into precarious waters regarding their assured defence of Japan under the U.S.-Japan security alliance.¹¹⁴ Similarly should China's ambition for reunification with Taiwan turn into a military annexation intervention by outside parties is becoming increasingly perilous. China's clear moves towards control of the South China Sea and its resources through armed intimidation or intervention clearly demonstrate the need for greater efforts from other nations to attempt to rebalance the power dynamic which is emerging. These action by China will only reinforce the need for such alliances as the Quadrilateral Security Dialogue (Quad) between the United States, India, Australia and Japan who are seeking to rebalance power in the Indo-Pacific and provide the foundation for stability through respect for the rules based order as it applies to the global maritime commons within the region.¹¹⁵ In the past "China calibrates its coercive activities to fall below the threshold of provoking armed conflict" the growth of their military capacity may mean that this approach could soon shift to more emboldened actions.¹¹⁶ Nations and coalitions must make hard and clear policy decision regarding what their approach to stabilization and calming of the Indo-Pacific will look like. Most importantly they need to determine what actions either in

 ¹¹⁴ Lindsay Maizland, Beina Xu, *The U.S.-Japan Security Alliance*, (Council on Foreign Relations, August 22, 2019).
<u>The U.S.-Japan Security Alliance | Council on Foreign Relations (cfr.org)</u>

¹¹⁵ Jesse Barker Gale, *The Quadrilateral Security Dialogue and the Maritime Silk Road Initiative*, (Center for Strategic & International Studies, April 2, 2018). <u>The Quadrilateral Security Dialogue and the Maritime Silk Road</u> <u>Initiative | Center for Strategic and International Studies (csis.org)</u>

¹¹⁶ United States, *Military and Security Developments*, 70.

the forms of detent, sanctions or military action will be taken should China resort to the use of force to further their interests in the region.

The revitalization of China's military and its growth as a naval power has been staggering. The West maintains that the quality of its technologies and its military outweigh the size of the PLA. It should be clear to anyone analyzing the situation that the amount of force which the PLA can bring to bear within the First Island Chain means that if China turns towards a policy of military aggression in the acquisition of the territories it seeks to control, intervention by outside parties could mean full spectrum warfare for the reestablishment of peace and calm at great expense and effort. Xi's efforts to consolidate military power within the First Island Chain will soon be a reality if other nations do not work together to rebalance this power shift. The next chapter will examine the shift in international policy towards China and if it will be effective in curbing Xi's ambitions. If the West is unwilling or unable to demonstrate to China that armed aggression will not be tolerated, it must then decide how it will proceed in a new multi-polar global order and what that means for existing international organizations and alliances.

CHAPTER 5: SANCTIONS, DEMOCRACY and HUMAN RIGHTS

This chapter will examine the historic sanctions levied against the PRC by the West and their limited success. It will also discuss the Obama administrations attempted policy "Pivot" to Asia, its failure and how China filled the economic development vacuum the region was experiencing. Finally, it will examine the emerging international concerns regarding ongoing Human Rights abuses by the PRC related to democracy in Hong Kong and the treatment of ethnic Uyghurs in Xinjiang Province.

Western nations have a long history of using embargos and sanctions against the PRC either punitively or for the purpose of communist containment. Following Mao's founding of the PRC in 1949, the United States and the United Kingdom put embargos on goods of military or semi-military in nature. This was done in an effort to contain communist expansion, limit Mao's capacity to wage war against the then United States back Chiang Kai-shek's ROC on Taiwan. The embargo was also meant to prevent possible movement of Western goods through Hong Kong or the PRC to the Soviet Union.¹¹⁷ Sanctions against the PRC were further widened in 1950 when the PRC joined the Korean War in support of North Korea. The United States and the United Kingdom agreed to a strict halt of exports to China including lucrative oil deals, however, many European made goods were still finding their way to China and North Korea via eastern European trade deals with European nations unwilling to risk vital contracts necessary for post war economic recovery.¹¹⁸ China was largely successful in finding alternate vendors for those

¹¹⁷ Frank Cain, The US-led trade Embargo on China: The origins of CHINCOM, 1947–52, Journal of Strategic Studies, 18:4, 38-39.

¹¹⁸ *Ibid*, 43-44.

items which the United States and the United Kingdom would no longer supply, demonstrating that without widespread enforcement, such actions provide little deterrence and achieve limited effect.

In 1989, the PRC order the PLA to disperse pro-democracy protesters comprised primarily of university students at Tiananmen Square and ultimately resulted in a large number of deaths and casualties. In response to this, the Bush administration in the United States used economic sanctions against China in an effort to curb what the United States saw as human rights abuses within China. The economic sanctions focused on China's Most Favored Nation (MFN) status for trade with the United States. The United States believed that Beijing would fall in line on Western views of human rights given the huge economic advantage in proposed. These beliefs carried on into the Clinton administration, ultimately this course of economic sanctioning would fail. What the United States failed to realize was that culturally, China did not view this as a solely a maneuver of economic statecraft, they considered such public confrontation and criticism of their internal policies and actions as an attempt to humiliate them in the international forum. China did attempt good will gestures leading up to review of their MFN status such as releasing political protestors from jail early, however these efforts were unsuccessful in securing MFN status. In the years following the Tiananmen incident repression actually increased by such measures as including requiring university students to complete mandatory military service prior to being able to graduate.¹¹⁹ In 1994, The United States Secretary of State Warren Christopher, traveled to Beijing to meet Chinese premier Li Peng, Christopher was told that "China will never

¹¹⁹ Li Yitan. US Economic Sanctions Against China: A Cultural Explanation of Sanction Effectiveness. Asian Perspective 38, no. 2 (Apr, 2014), 325.

accept the United States' concept of human rights".¹²⁰ Later that year, following significant domestic business interest pressure, Clinton would announce that the United States was decoupling China's MFN status with Human Rights. One analyst noted that "Clinton's retreat on human rights made matters worse than if he had never imposed his MFN conditions."¹²¹

"Washington has lost the bet it made twenty years ago, when it had granted China permanent normal trade relations in the hope that helping China expand economically would cause it to liberalize politically and that would lead to peaceful coexistence."¹²²

Despite continued and increasing efforts to use limited or targeted sanctions these have been largely ineffective, scholars have determined that sanctions are successful in less than a third of cases.¹²³ Likely their continued use is the result not of their effectiveness but of politician's capacity to appear as if they are taking decisive action in the national interest by employing them.

The *War on Terror* and its campaigns in Iraq and Afghanistan were the primary preoccupation of the United States and its coalition forces from 2001-2011. United States military presence in South Korea and Japan were central to the United States' power projection and diplomacy in Asia, yet they had been significantly neglected politically since 9/11.¹²⁴ As the United States attempted to draw down troops in the Middle East, the Obama administration wanted to re-engage globally. A major shift in American foreign policy would be a renewed

¹²⁰ Li. US Economic Sanctions Against China, 326.

¹²¹ *Ibid*.

¹²² Rogin, Chaos Under Heaven, xxiii.

¹²³ Li, US Economic Sanctions Against China, 311.

¹²⁴ Campbell, *The Pivot*, 6.

focus on the Asia-Pacific region with an intent on re-engagement termed "The Pivot". In 2011, then Secretary of State Hillary Clinton stated that the "the most important tasks of American statecraft over the next decade will... be to lock in a substantially increased investment diplomatic, economic, strategic, and otherwise — in the Asia-Pacific region".¹²⁵ With *The Pivot*, Washington trying to "remind Beijing of US staying power at a time when some Chinese policy makers were dangerously anticipating a US withdrawal from Asian and ready to discount American influence in the region".¹²⁶ Clinton went on to say that United States investment in the Asia-Pacific should mirror the investment in post Second World War Europe, building up economies and ensuring stability through rules-based multinational organizations. A key feature of *The Pivot* was to ensure continued American access to Asian markets particularly, Asian market reliance on the American high tech sector, including semiconductors. The hope was that a strengthened rules based economic order would also protect American firms' intellectual property while maintaining high yields from FDI.

The United States was also making a renewed commitment to invest in its military presence in the region paired with defence cooperation. The intent to bolster American military presence was meant to signal that the United States would be ready and able to enforce multilateral adherence to the rules based order and attempt to limit aggressive territorial ambitions from any nation, in particular China's ambitions in the South China Sea. As Secretary of State, Clinton made frequent visits to Asia, engaging top officials and organizations. Clinton called this "forward-deployed" diplomacy, "dispatching the full range of our diplomatic assets…highest-

¹²⁵ Hillary Clinton, "America's Pacific Century", (Foreign Policy, 11 October 2001). <u>America's Pacific Century –</u> Foreign Policy

¹²⁶ Campbell, *The Pivot*, 22-23.

ranking officials... development experts... interagency teams, and our permanent assets — to every country and corner of the Asia-Pacific".¹²⁷ These efforts would be conducted along six lines of effort:

strengthening bilateral security alliances; deepening our working relationships with emerging powers, including with China; engaging with regional multilateral institutions; expanding trade and investment; forging a broad-based military presence; and advancing democracy and human rights.¹²⁸

On China, the Obama administration understood that the Chinese and American economic markets were tightly intertwined. They wanted to protect American firms but understood that China needed to maintain its growth as well. *The Pivot* intended to draw China close to the United States' sphere of influence and "expand areas of common interest, to work with China to build mutual trust, and to encourage China's active efforts in global problemsolving" through initiatives such as the Strategic and Economic Dialogue.¹²⁹ Once again the United States believed that positive dialogue and Chinese participation in international organizations would temper its authoritarianism and expansionist interests in the region that such dialogue would bring cause China and other Asian nations to "embrace reforms that would improve governance, protect human rights, and advance political freedoms".¹³⁰ One hope was that this engagement would calm military tension in the South China Sea and moved to avoid any unintended military escalations or altercations in the interest in economic prosperity rather

¹³⁰ *Ibid*.

¹²⁷ Clinton, America's Pacific Century.

¹²⁸ *Ibid*.

¹²⁹ *Ibid*.

than geographic expansion through constructive diplomatic participation rather than military might.

At a time when the Asia Development Bank estimated that Asian countries "needed \$8 trillion infrastructure investment over 10 years to sustain fast-paced economic growth"¹³¹ what ASEAN countries needed was economic leadership from the United States in the form of: economic investment, market support and stability in the region. The Obama administration was focused on engagement with ASEAN countries through Asia-Pacific Economic Cooperation (APEC), but they needed more than rhetoric, "without resources the big talk will quickly seem hollow to friends and foes alike"¹³² and where the United States' rhetoric failed to materialize into action, China saw a vacuum they could fill. The United States' failure to mobilize to support Asia Pacific partners allowed China to step in as an infrastructure and economic development leader via two important geoeconomics tools, the BRI and its associated funding starting in 2013 and the AIIB starting in 2016. The Asian pivot was ultimately unsuccessful as the Obama administration underestimated China's new leader Xi Jinping. In 2014, one CCP theorists remarked on the new leader: "Mao made the Chinese nation stand up, Deng made the people of China grow rich, Xi Jinping will make the people of China grow powerful" the United states was no longer dealing with a rising China but a China risen and Xi was not interested in making concessions to anyone.¹³³ While the United States sought to re-establish its influence in Asia

¹³¹ Campbell, *The Pivot*, 52.

¹³²Dan Twinning and Micheal J. Green, *Dizzy Yet? The Pros and cons of the Asia "pivot"*, (Foreign Policy, 21 November 2011), <u>Dizzy yet? The pros and cons of the Asia 'pivot' – Foreign Policy</u>

¹³³ Rogin, Chaos Under Heaven, 12

publicly, China was seeking to build its influence around the world in subtler and more subversive ways, with a particular focus on soft tactic diplomacy within the United States.

Former US Secretary of Defense, General Mattis, speaking on Chinese influence in the United States said the CCP was waging a type of political warfare and high tech espionage and that it is:

> ...directed at all parts of American society: our education institutions, our technology labs, our media, our industry, our stock markets, and of course, our politics. By operating in the grey zones between soft power and hard power, between covert and overt operations, China's leaders had been able to target for influence the sectors of American society whose strength underpins our national power and our national identity – the antibodies in our democracy that respond to threats.¹³⁴

A major avenue for the exertion of CCP soft power globally is through an educational organ known as Confucius Institutes, located in more than 150 countries. These Confucius Institutes provide educational Chinese language and cultural programs at Universities around the world, including in the United States, through direct funding from the CCP which oversees the program. Both Confucius Institutes and Chinese Students and Scholars Associations (CSSAs) are found on many Western University campuses are used by the CCP to "to monitor Chinese students by creating an environment where there are incentivized to report on each other".¹³⁵ The idea for these programs originated within the United Front Work Department of the Central Committee of the CCP. Details of the CCPs intent for such activities was clearly laid out in the leaked 2012 Chinese government document, *Document Nine* which stated that they wanted to

¹³⁴ Rogin, Chaos Under Heaven, 111.

¹³⁵ *Ibid*, 219-220.

"consciously strengthen management of the ideological battlefield" and "blunt any criticism of the CCP policies on campus, and stifle the free speech of Chinese students studying in the United States".¹³⁶ Speaking to the Central Committee in 2015, President Xi stated "The United Front... is an important magic weapon for realizing the China Dream of the Great Rejuvenation of the Chines Nation"¹³⁷ In 2018, FBI Director Christopher Wray testified that Confucius Institutes " are among the entities used by the Chinese government as nontraditional collectors [of intelligence], especially in the academic setting".¹³⁸ This below the threshold of aggression soft power exertion is just a part of the United Front and the CCP's overseas influence peddling.

The CCP has other organizations reporting to the United Front operating in the United States and elsewhere in an attempt to build influence at all levels of government and with other domestic organizations with such seemingly benign and peaceful names as 'Council for the Promotion of the Peaceful Reunification of China' which seeks support for the Reunification of Taiwan under the One China Policy, and the 'China Association for Science and Technology' which seeks to support intellectual property sharing and joint ventures. China uses cultural exchange as a key mechanism of soft power and the CCP is leveraging a United States Congressional policy known as Mutual Education and Cultural Exchange Act (MECEA). Under MECEA, United States government staffers can go on Chinese government, all expenses paid visits to China. One a visit by a Senate Press Secretary she stated that handlers "took her to a Uyghur village, where "reformed" Uyghurs who had been in the internment camps told her they

¹³⁶ Rogin, *Chaos Under Heaven*, 215

¹³⁷ *Ibid*, 82.

¹³⁸ *Ibid*, 216.

loved Xi Jinping – as the CCP minders watched on".¹³⁹ There is always the concern that when foreign government provides you with high value items, such as all-expense paid trips, that there may be undue pressure applied in future quid pro quo scenarios. Cultural soft power isn't the only mechanism the CCP is employing.

The CCP uses access to the Chinese market as leverage over foreign firms to engage in joint ventures with Chinese companies. This is particularly concerning for industries and companies engaged in costly research and development work or where intellectual property is the key value added element to their business. The reason that these forced joint venture practices are so concerning is that "under Chinese law, any Chinese company could be compelled to help the government and hand over its data at any time".¹⁴⁰ It was believed that these Chinese joint venture firms routinely stole US intellectual property and then used it without license, this caused Robert Lightzinger at the Office of the United States Trade Representative to undertake Section 301 investigations on illicit Chinese Technology Transfer from US firms. The 2018 report found that Chinese illicit practices included "intellectual property theft, forced technology transfer, and unfair subsidies, were robbing the US economy of at least \$50 billion annually".¹⁴¹ Lightzinger went on to comment:

Technology is probably the most important part of our economy... and we conclude that, in fact, China does have a policy of forced technology transfer; of requiring licensing at less than economic value; of state capitalism, wherein they go in and buy

¹³⁹ Rogin, Chaos Under Heaven, 130

¹⁴⁰ *Ibid*, 131.

¹⁴¹ United States of America. Office of the United States Trade Representative. "Statement By U.S. Trade Representative Robert Lighthizer on Section 301 Action", (7 October 2018). <u>Statement By U.S. Trade</u> <u>Representative Robert Lighthizer on Section 301 Action | United States Trade Representative (ustr.gov)</u>

technology in the US in non-economic ways; and then, finally, of cyber theft.¹⁴²

Lightzinger's 301 report identified officially what many Western firms already knew. Despite the economic risk of partnering with Chinese enterprises, it seems that US firms were repeatedly willing to take the risk to attract the direct injection of capital to their business and the lure of access to the Chinese domestic market. The attraction to the Chinese market is wide spread, the California Teachers Union pension fund is one of many such funds in the United States who have invested American dollars in the Chinese economy looking for better returns. This influx of foreign capital has helped China re-develop and modernize its production base, where "China has effectively enlisted the US to help organize and fund their own economic expansion" while also reducing domestic industrial capacity due to reduced capital.¹⁴³ Western nations are increasingly seeking to secure domestic industries vital to national security and insulating them from foreign interference. This thinking was a cornerstone of the Trump administrations foreign trade policy and attempts to re-invigorate domestic manufacturing. While national security general brings to mind military defence spending, the outbreak of the COVID-19 pandemic demonstrated that the military is not the only factor in determining security.

The global economy has outsourced the manufacturing of a huge proportion of low cost goods to Asia. When the global COVID-19 pandemic broke out in early 2020, there was a huge surge in demand for medical supplies, particularly single use medical personal protective

 ¹⁴² United States of America. Office of the United States Trade Representative. "Statement By U.S. Trade Representative Robert Lighthizer on Section 301 Action", (7 October 2018). <u>Statement By U.S. Trade Representative Robert Lighthizer on Section 301 Action | United States Trade Representative (ustr.gov)</u>
¹⁴³ Rogin, *Chaos Under Heaven*, 172.

equipment as scientists struggled to determine how to deal with the virus. Medical supply diplomacy quickly surged to the forefront of diplomatic and punitive tools for those nations capable of wielding it. The CCP wanted to avoid any negative press regarding it's handling of COVID-19, which is believed to have originated in China, "Beijing was seeking to snuff out any discussion of the virus' origins... along with any criticism of its domestic response and any allegation that it was hiding misrepresentation information".¹⁴⁴ When President Trump publicly called out China for mishandling its domestic response, Beijing stopped granting export permits for medical supplies produced in China, including those produced by US firms in China such as 3M. This resulted in the United States Director of the Office of Trade and Manufacturing Policy, Peter Navarro speaking on China halting export permits that they had "nationalize effectively 3M, our company".¹⁴⁵ While Navarro's comments can likely be attributed to catchy rhetoric during a heated and prolonged trade dispute between the Trump administration and Beijing, such episodes of supply chain disruption and the vulnerability of overseas production of key materials demonstrate the level of modern reliance on globalized market-chain integration.

Western democracies tend to threaten to take action against China on the basis of human rights violations, as was taken in 1959 during the Tibetan Revolution and the 1989 Tiananmen Square Massacre. Over the past decade, there has been increasing concern over Beijing's policies regarding Hong Kong autonomy and democracy under *One China, Two Systems*, as well as the treatment of ethnic Uyghurs in mainland China.

¹⁴⁴ Rogin, Chaos Under Heaven, 266.

¹⁴⁵ Jeanne Whalen, *3M will import masks from China for U.S. to resolve dispute with Trump administration*, (The Washington Post, 6 April 2020). <u>3M resolves dispute with Trump that will let it supply N95 masks to Canada and Latin America - The Washington Post</u>

Under the Sino-British Joint Declaration of 1984, when the British lease on Hong Kong expired in 1997 and the island was handed back to China, Hong Kong was to enjoy a 50 year period of transition. This period of transition which was meant to last until 2047 and to be protected by Hong Kong's Basic Law and Constitution, which enshrined the right to "a high degree of autonomy" and "capitalist system and way of life".¹⁴⁶ This system would be administered under the One China, Two Systems policy. Hong Kong enjoyed special trade status separate from mainland China, as well as freedom of the press, expression, assembly, religion and protection under international human rights law.¹⁴⁷ Hong Kong's Basic Law aims to have its leader elected by popular vote, but there has never been a democratic representative election for the position of head of government, the Chief Executive. Despite the 2014 Umbrella Movements and multiple attempts at securing democratic elections, Hong Kong's most recent election in 2017, only had candidates vetted by Beijing were allowed to run and ultimately selected by the election committee, not through public ballot.¹⁴⁸ 2019 saw the largest protest ever in Hong Kong, with upwards of two million people turning out to protest against a new law which would allow Hong Kongers to be extradited and charged in mainland China. The legislation was ultimately withdrawn, but new legislation in 2020 included provisions for the establishment of a mainland Chinese security office in Hong Kong, who's officer would "oversee, guide, coordinate and support local national security activities and investigations", including the appointment of judges to hear national security cases, and who's members would be exempt from Hong Kong police or

¹⁴⁶ Hong Kong. Basic Law, Chapter 1. Basic Law - Basic Law - Chapter I (EN)

 ¹⁴⁷ Lindsay Maizland and Eleanor Albert, *Hong Kong's Freedoms: What China Promised and How It's Cracking Down*, (Council on Foreign Relations, 17 February 2021). <u>Hong Kong's Freedoms: What China Promised and How It's Cracking Down | Council on Foreign Relations (cfr.org)</u>
¹⁴⁸ Ibid.

court jurisdiction.¹⁴⁹ The new legislation provides a mechanism to have those being tried on certain charges to be extradited and tried in mainland China, including charges of separatism and subversion of the CCP. Speaking out against the government would have previously been protected as freedom of speech in Hong Kong. This erosion of Hong Kongers' rights has led to condemnation from many major Western powers. Many nations have also suspended their extradition agreements with Hong Kong including Canada, the United States, United Kingdom, Australia and New Zealand.¹⁵⁰ In an effort to defend its legitimacy in intervening in Hong Kong despite the *Two Systems* policy, China introduced a statement at the UN Human Rights Council defending the new security law, 53 nations participating in China's BRI endorsed the statement while 27 lead by the United Kingdom denounced it.¹⁵¹ This maneuver demonstrates China's use of its economic and infrastructure agreements as part of BRI as leverage for legitimacy on the world stage.

While the West is increasingly concerned with Chinese intervention in Hong Kong policies and freedoms, it is likely that Taiwan is paying very close attention. As President Xi has attempted a rapprochement with Taipei to draw it into possible peaceful re-unification. The people of Taiwan are likely concerned about any promises made in the guise of a *One China, Two Systems* policy as it relates to their island, as Beijing has failed to honour the principles of the Sino-British Joint Declaration. The freedoms of the Hong Kong people are being quickly eroded; the situation in Hong Kong can be seen as a foreshadowing of Beijing's treatment of the

 ¹⁴⁹ Michael C. Davis, *Beijing's New Security Law Has Stifled Hong Kong's Autonomy and Hopes*, (Foreign Affairs, 2 July 2020). <u>Beijing's New Security Law Has Stifled Hong Kong's Autonomy and Hopes (foreignaffairs.com)</u>
¹⁵⁰ Maizland, *Hong Kong's Freedoms*.

¹⁵¹ Eleanor Albert, *Which Countries Support the New Hong Kong National Security Law?*, (The Diplomat, 1 July 2020). <u>Which Countries Support the New Hong Kong National Security Law? – The Diplomat</u>

people of Taiwan in the event of re-unification. Having seen the infringements in Hong Kong, it is now likely that Taiwanese re-unification will only occur through economic coercion or military intervention.

In addition to international concerns over the situation in Hong Kong, there has been increasing opposition and outrage surrounding Beijing's treatment of ethnic Uyghurs in Xinjiang Province. Xinjiang Province, in western China, has historically been populated primarily by ethnic Turkics of the Muslim faith know as Uyghurs, rather than the ethnic Han who make up the majority population of China. Following the official annexation of Xinjiang by the PRC in 1955, there have been efforts to increase the Han population in the province, but population and development of the area had remained fairly low. Historically, Uyghurs have been disenfranchised in comparison to their ethnic Han counterparts, resulting in occasional acts of violence and terrorism being carried out by Uyghur nationalists and separatist since the 1970s. Following a series of attacks in 2013 and 2014, President Xi "called for an all-out "struggle against terrorism, infiltration and separatism" using the "organs of dictatorship," and showing "absolutely no mercy"¹⁵² when it came to dealing with Uyghurs in Xinjiang.

Xinjiang province would be a key overland corridor for BRI, ensuring regional stability in this vital boarder region between China and Eurasia would be vital to the success of BRI. Beijing's polices to stop Uyghur separatism would take the form of imprisonment and reform on the basis of prevention the spread of "Extremist Islamic Terrorism". It was very smart of Beijing

¹⁵² Austin Ramzy and Chris Buckley, *The Xinjiang Papers: 'Absolutely No Mercy': Leaked Files Expose How China Organized Mass Detentions of Muslims*, (The New York Times, 16 November 2019).'<u>Absolutely No Mercy':</u> Leaked Files Expose How China Organized Mass Detentions of Muslims - The New York Times (nytimes.com)

to use this key phrase in its messaging, as the United States was attempting to draw down troops in Afghanistan and Iraq and as the Islamic State of Iraq and Syria (ISIS) were declaring a caliphate, countries around the world were taking action to stomp out "Extremist Islamic Terrorism". However, the CCPs efforts were not to identify and eliminate Uyghur terrorists, but rather to undertake the complete assimilation of the Uyghur people into the communist ideals and workforce of the PRC. These efforts of assimilation have occurred through forced internment in re-education facilities, followed by forced employment in manufacturing facilities through five main lines of effort:

> ...maintain the minority population in state-controlled environments, inhibit intergenerational cultural transmission, achieve national poverty reduction goals, promote economic growth along the BRI, and bring glory to the Party by achieving all of these four aims an a way that is ideologically consistent with the core tenets of Communist thought - using labor to transform religious minority groups towards a predominantly materialist worldview, akin to the Reform Through Labor¹⁵³

While the CCP does provide some official information, details on and access to facilities and those detained within them is very limited. In 2019, the New York Times published more than 400 pages of leaked party documents outlining the official policy on the widespread internment of Uyghurs in Xinjiang. Since 2017, it is believed that more than 380 facilities have be repurposed or built for use as re-education or internment facilities.¹⁵⁴ It is believed that since

¹⁵³ Dr. Adrian Zenz, *Beyond the Camps: Beijing's Grand Scheme of Forced Labor, Poverty Alleviation and Social Control in Xinjiang*, (The Journal of Political Risk. 10 December 2019). 1-2. <u>Beyond the Camps: Beijing's Long-Term Scheme of Coercive Labor, Poverty Alleviation and Social Control in Xinjiang | Journal of Political Risk (jpolrisk.com),</u>

¹⁵⁴ Nathan Ruser, *Exploring Xinjiang's detention system*, (Australian Strategic Policy Institute, The Xinjiang Data Project, 24 September 2020). <u>Exploring Xinjiang's detention system (aspi.org.au)</u>

2017, the government has detained "hundreds of thousands of Uighurs, Kazakhs... Muslims in internment camps. Inmates undergo months or years of indoctrination... aimed at transforming them into secular and loyal supporters of the party". These facilities are generally known as "Education Training Centers" which are meant to provide vocational training to underemployed agricultural workers, so that they may earn higher wages and increase their quality of life within the industrial infrastructure of the PRC. "The party has rejected international criticism of the camps and described them as job-training centers that use mild methods to fight Islamic extremism".¹⁵⁵ When family members outside the camps asked officials why their loved ones had been interned they were told that "their relatives had been "infected" by the "virus" of Islamic radicalism and must be quarantined and cured"; if they pressed further, they were told to "Treasure this chance for free education that the party and government has provided to thoroughly eradicate erroneous thinking, and also learn Chinese and job skills."¹⁵⁶

In reality, the main objective of these facilities is to indoctrinate Uyghurs into the CCPs ideology, learn to speak Chinese, disavow religion in favor of secularism and provide laborers for the growing factory based manufacturing industry in Xinjiang.¹⁵⁷ Uyghurs could be rounded up and imprisoned for such "extremist" behavior as "wearing long beards, giving up smoking or drinking, studying Arabic and praying outside mosques".¹⁵⁸ In the course of trying to cleanse Uyghur culture, families are separated, subjected to prison like conditions, including up to 10 hours a day of re-education lessons, those interned at the camps are told that their actions and

¹⁵⁵ Ramsey and Buckley, *The Xinjiang Papers*.

¹⁵⁶ *Ibid*.

¹⁵⁷ Zenz, Beyond the Camps.

¹⁵⁸ Ramsey and Buckley, *The Xinjiang Papers*.

adherence to the rules will affect how their family members are treated elsewhere.¹⁵⁹ One woman, now living in Paris, was imprisoned after returning to Xinjiang on terrorist charges on the basis of photographs of her daughter in France holding a Uygur independence flag. She was interned for two years before her case went in front a judge who finally dismissed her case and set her free. Her internment included interrogations, sleep deprivation, malnutrition and forced sterilization.¹⁶⁰ It is also reported that the use of mass sterilization and forced internment has led to a significant decline in Uyghur birthrates since 2016.¹⁶¹

Those who leave re-education facilities are routinely transferred to factory accommodation dormitories where they are assigned to work and are not free leave. These workers are paid less than minimum wage and have their room and aboard in what are essentially minimum security extensions of the detention facility is deducted from their meager wages.¹⁶² Hundreds of new factories have been built in Xinjiang since 2017. Beijing offers generous government subsidies to set up factories in the region and subsidizes pay for "reformed" Uyghur workers. These factories are predominantly in the garment manufacturing sector and are often only part of a company's larger holdings. Final products produced in normal factories in China are indistinguishable in the global market chain from those products made by coerced or forced

¹⁶¹ Ben Lowsen, Smuggling Out the Truth: The Story of the Xinjiang Papers and China Cables, (The Diplomat, 12 December 2019). Smuggling Out the Truth: The Story of the Xinjiang Papers and China Cables – The Diplomat
¹⁶² Darren Bylar, How companies profit from forced labor in Xinjiang, SupChina, 4 September 2019. <u>How</u> companies profit from forced labor in Xinjiang – SupChina

¹⁵⁹ Ramsey and Buckley, The Xinjiang Papers

¹⁶⁰ Gulbahar Haitiwaji, *Our souls are dead': how I survived a Chinese 're-education' camp for Uighurs*, (The Guardian, 12 January 2021). <u>'Our souls are dead': how I survived a Chinese 're-education' camp for Uighurs | Uyghurs | The Guardian</u>

Uyghur laborers.¹⁶³ It is now estimated that more than 1 million Uyghurs have been interned in camps, forced or coerced into working at factories in Xinjiang.¹⁶⁴

In June 2020, the UN Office of the High Commissioner for Human Rights issued a statement "regarding the repression of fundamental freedoms in China" following Beijing's new national security law pertaining to Hong Kong and human rights violations in Xinjiang. It went on to say:

UN independent experts believe it is time for renewed attention on the human rights situation in the country, particularly in light of the moves against the people of the Hong Kong SAR, minorities of the Xinjiang Autonomous Region... They further urge the UN Human Rights Council (HRC) to act with a sense of urgency to take all appropriate measures to monitor Chinese human rights practices... All Member States and UN agencies in their dialogues and exchanges with China specifically demanding that China fulfills its human rights obligations, including with respect to the issues identified in this statement¹⁶⁵

In March 2021, the European Union, United States, United Kingdom and Canada

imposed sanctions against Chinese officials as a result of the ongoing, large scale human rights

abuses within Xinjiang.¹⁶⁶ This was followed by a series of retaliatory sanctions by China against

individuals and officials in the west who have condemned their policies on Xinjiang.¹⁶⁷ These

¹⁶³ Zenz, Beyond the Camps, 12.

¹⁶⁴ The Guardian, *US and Canada hit back at China's 'baseless' sanctions as Xinjiang row deepens*, (28 March 2021). <u>US and Canada hit back at China's 'baseless' sanctions as Xinjiang row deepens | Uyghurs | The Guardian</u>

¹⁶⁵ United Nations. The Office of the High Commissioner for Human Rights, *UN experts call for decisive measures to protect fundamental freedoms in China*, (26 June 2020). <u>OHCHR | UN experts call for decisive measures to protect fundamental freedoms in China</u>

¹⁶⁶ Robin Emmott and David Brunnstrom, *West sanctions China over Xinjiang abuses, Beijing hits back at EU*, (Reuters, March 22, 2021). <u>West sanctions China over Xinjiang abuses, Beijing hits back at EU | Reuters</u>

¹⁶⁷ Deutsche Welle, *China targets UK lawmakers, others in response to Xinjiang sanctions*, (DW News, 26 March 2021). <u>China targets UK lawmakers, others in response to Xinjiang sanctions</u> | News | DW | 26.03.2021

sanctions and the wide spread media coverage of human rights abuse in the press led many multinational corporations to cut off ties with factories in Xinjiang, particularly fashion brands which had been attracted to the low cost of manufacturing there.¹⁶⁸ In retaliation to these brands' public denouncement of factories in China, Beijing banned those brands from conducting any advertisement within China or appearing on state television, which has led to many Western brands being blurred out on television programs.¹⁶⁹ Beijing's strong reaction to these sanctions, public denouncements and severed ties from multinational brands, suggests the level of coordinated action required to cause Chinese officials to re-examine their policies.

Historically, the limited sanctions imposed on China have had little effect in creating a lasting change in thinking or policies within the CCP. While the Obama administration's policy concept of *The Pivot* was a move in the right direction it failed to provide enough force behind it to be successful. The failures of *The Pivot* allowed China to fill the development and economic vacuum within ASEAN that the United Stated failed to successfully address, strengthening China's position in Asia further. Western nations have failed in the past to effectively mobilize political and economic policy to change China's behavior within the international rules based order, to deal with the scale of China's economic and political influence today a multi-national, multi-lateral approach will be necessary. The UN Human Rights Commission call to action regarding the erosion of democratic and legal freedoms in Hong Kong and the severe Human

¹⁶⁸ British Broadcasting Corporation, Uyghurs: Xinjiang cotton ban is self-defeating, China tells H&M, (BBC, 29 March 2021). Uyghurs: Xinjiang cotton ban is self-defeating, China tells H&M - BBC News
¹⁶⁹ British Broadcasting Corporation, Xinjiang cotton: Western brands blurred on China TV, (BBC, 7 April 2021). Xinjiang cotton: Western brands blurred on China TV - BBC News

Rights violations against Uyghurs in Xinjiang may finally be the catalyst for significant action against the policies of the CCP in the international forum.

CHAPTER 6: CONCLUSION

While this analysis covered subjects related to China's economic and military growth, and its expanded geopolitical influence, there are other themes that were outside of the scope of this particular paper. Future or additional research could include topics related to China's use of debt trap diplomacy, especially as it relates to the Belt and Road Initiative. Additional research could also be conducted on the further developments of Beijing's interference in Hong Kong's democratic and judiciary independence and what that could mean for Taiwanese re-unification with the mainland under *One China, Two Systems* governance.

The chapters of this analysis have laid out the West's disregard for China's geoeconomic ascent, and how Western democracies are faced with the need to develop policies and geopolitical strategies to oppose the Chinese Communist Party's subversive trade practives and ambition for geoeconomic control in Asia and Africa, military expansionism, and the reabsorption of Taiwan under the *One China Policy*.

An outline of the economic and political struggles of the burgeoning years of the PRC was provided, along with an analysis of Deng Xiaoping's reforms which set China on a course for economic modernization and growth. Western nations, enamored with cheap labour and cheap goods fueled China's economic growth. That economic growth attracted Foreign Direct Investing which helped modernize China's industrial economic base and grow its global market share. Today, the interdependence of the Chinese economy in global markets makes any future decupling of economies seem highly complex and perhaps insurmountable. As CCP policies such as *Made in China 2025* take root however, Chinese reliance on high tech and value added

industries from abroad will be reduced and those markets may find themselves outpriced and outmaneuvered by Chinese competition. As China's geoeconomic ambitions are realized through the *Belt and Road Initiative*, emerging markets and trade routes will replace traditional reliance on Western trading partners reducing the West's capacity to leverage geopolitical and geoeconomic tools with China.

This analysis also demonstrated how China has been translating the economic and infrastructure investments in foreign nations through the *Belt and Road Initiative* into political influence in established international organizations. In particular, China has been successful in positioning itself in prominent positions with the United Nations and leveraging new trade partnerships to reduce the number of nations who recognize the diplomatic independence of Taiwan. China has also created new international bodies to further their geoeconomic interests and seeks to replace established organizations such as the Asia Infrastructure Investment Bank.

As discussed, the rapid modernization and expansion of the People's Liberation Army over the past twenty years and the militarization of contested island features in the South China Sea suggest that Beijing may seek to use military force where economic and geopolitical diplomacy fail. China has leveraged their domestic shipbuilding industry to rapidly expand their maritime forces and now poses the world's largest Navy. China's building military capacity within the *First Island Chain* means that the United States will soon no longer be able assure military supremacy in the region without allied support or an influx of fifth-generation military technology. This shift in the balance of military power means a precarious future for the independence of Taiwan from the force and influence of Beijing.

Finally, the extremely limited effectiveness of Western sanctions on amending CCP policies or actions, in recent years there has been a reemergence of international concern for the protection of Human Rights within China and its Special Administrative Regions, which have culminated into calls for action from the UN Human Rights Commission. New Beijing enacted National Security Laws have eroded the democratic and legislative independence that Hong Kong was to have protected under the Sino-British Joint declaration until 2047. Beijing's failure to respect the ideals of a One China, Two Policies system raises new concerns for people of Hong Kong as well as what the future may hold for Taiwan should it rejoin mainland China. As troubling as these concerns may be to the West, the likely catalyst to mobilize a unified front for change in China is the treatment of their Uyghur minority in Xinjiang. Leaked documents and investigative reporting has proven that Beijing has constructed more than 380 detention and reeducation facilities in Xinjiang. It is now estimated that more than 1 million Uyghurs have been imprisoned or sent to forced labour camps where they have been subjected to de-humanizing conditions including forced sterilization. Therefore, while economic, military and geoeconomic power is shifting in China's favour, the greatest concern for which Western nations appear to be prepared to stand against China are its human rights violations. It appears that although it is well known that China employs coercion and other tactics for its own economic, military and geopolitical benefit, these campaigns continue to be ineffectively checked by the West. Policy makers continue to grapple with the changing global landscape and an increased Chinese hegemony; this analysis has demonstrated that nations, for a variety of reasons, are currently unwilling or unable to challenge China's ascendancy on their own, they are now signaling that

the human rights violations caused by the CCP's policies may at last be the catalyst Western nations to join together to confront China's growing power.

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