

China's National Strategy and Its Place in a Globalized World

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Abstract: *Xi Jinping has committed China to a strategy of national rejuvenation under the rubric of The China Dream. A well-coordinated meld of economic, military, and psychological aspects, the dream aims at establishing a new world order under rules established by the People's Republic of China in ways reminiscent of the traditional Chinese world order in which the emperor claimed to rule tianxia, all under heaven. Domestic vulnerabilities and resistance from other nations may halt the dream short of fulfillment.*

The China Dream

In common with most other nations, the People's Republic of China (PRC) describes its strategy in abstract terms phrased in lofty moral principles, with its actual meaning dependent on the content the leadership chooses to assign at any given time. In recent years, this has been The China Dream. First publicly articulated by Xi Jinping in November 2012, just after being confirmed as leader of the Chinese Communist Party (CCP) and its Central Military Commission, but even before being named head of the government, the term was sufficiently vague that an anonymous Chinese cartoonist showed Xi asleep in a bed surrounded by thousands of citizens puzzling over what he might mean. Only later did Xi add that it meant the great rejuvenation of the Chinese nation. This, too, raised questions. How the rejuvenation was to be accomplished remained unclear: when one nation rises, does another fall behind? Does a nation rise by pushing other nations down and, if so, by what means. An earlier strategy, "peaceful rising," had been discarded because the phrase aroused concerns in other states, and was replaced with "peaceful development." Finally, since the success of any strategy depends on being able to reconcile means and ends, what are China's capabilities to achieve the China dream?

Neither peace nor war were mentioned in Xi's statement, but two years before, a senior colonel in the Chinese People's Liberation Army (PLA) had written a book also titled *The China Dream Great Power*, subtitled *Thinking and Strategic Posture in the Post-America Era* that took a struck a decidedly militant tone. Its author, Liu Mingfu, argued that China should be the most powerful country in the world, with the most powerful military. As an implicit challenge to the United States, the country with the then-most powerful military, the book attracted much attention, not all of it favorable. In a subsequent interview, Liu took a softer tone, explaining that the strongest military would be used for defensive purposes only. This did not appreciably diminish apprehensions, since nations bent on war virtually always justify their actions in terms of the need for defense. And it would be difficult to find a state that had the intention to invade China.

One must wonder about the identical wording of Liu's title and Xi's description of his plan for China. He has neither endorsed the book nor repudiated it, though after Xi

announced his China dream, Liu's book enjoyed a renewed boost in sales. In his first speech to the politburo in 2013, Xi took an aggressive stance, speaking of "a long-term struggle between the two social systems."¹ However, at his meeting with then-president Barak Obama at Sunnylands in 2013, Xi explicitly equated the China Dream with the American dream.² In an unusual departure from the leader's statement, *Renmin Ribao*, the official newspaper of the CCP's Central Committee, took a decidedly different view, stating that the Chinese dream was "completely different" from the American dream, since the dream of the Chinese people was to create prosperity for the entire nation, whereas Americans focus only on creating individual wealth.³ And that while Chinese depend solely on their own strength, Americans exploit the resources of other nations.

Six years later, and also in an unusual departure from past practice, the CCP's flagship journal on political theory, *Qiushi* (Seeking Truth) republished Xi's speech. While *Qiushi* frequently publishes the speeches of top leaders, it very rarely reprints older ones. Even more eye catching was the inclusion of an additional paragraph that observers interpreted as a clear message: comrades must understand the ability of capitalist societies to self-correct, to learn from them, and "to prepare to cooperate and compete with capitalist countries that were armed with greater developed productivity." People would be comparing the achievements of Western states to China's, Xi continued, and blame China for shortcomings.⁴ This seemed to indicate that, in contrast to frequent references in the media to the decline of the Western system, and particularly that of the United States, Xi envisioned the struggle to establish the Chinese model, which he described as socialist development, as the international norm would be a much longer-term process than originally envisioned.

A dream, and a wish for rejuvenation, are at best vague hints to the guiding principles of a strategy, and in the absence of a document clearly marked as such, one must infer from subsequent actions how the strategy is to be implemented. What became evident as the process of operationalizing the China Dream unfolded was a multi-faceted and well-coordinated initiative encompassing economic, military, and psychological aspects.

The Economic Component of the China Dream

Xi's statement on the China Dream was followed, also in 2013, by his announcement of the One Belt One Road (OBOR), which was to be a principal vehicle for the achievement

¹ *Renmin Ribao*, January 4, 2013.

² Remarks by President Obama and President Xi Jinping of the People's Republic of China After Bilateral Meeting, June 8, 2013. [https://obamawhitehouse.archives.gov/the-press-office/2013/06/08/remarks-president-obama-and-president-xi-jinping-peoples-republic-china-](https://obamawhitehouse.archives.gov/the-press-office/2013/06/08/remarks-president-obama-and-president-xi-jinping-peoples-republic-china)

³ *Renmin Ribao*, June 6, 2013.

⁴ William Zheng *South China Morning Post*, April 2 2017 "XJP Speech From 6 years Ago Resurfaces to 'Send Message on Trade War, Leadership' " <https://www.scmp.com/news/china/politics/article/3004209/xi-jinping-speech-six-years-ago-resurfaces-send-message-trade>

of the China Dream. A globe-spanning initiative of breathtaking proportions, OBOR's premise was that lack of infrastructure had kept less developed countries from developing, and that, with China's help, these infrastructure gaps could be remedied. With connectivity established, prosperity for all would follow. What was needed was cooperation for mutual benefit, which would, in an oft-repeated catchword, result in a "win-win" situation. Later, reportedly responding to misgivings about the word "one," OBOR was renamed the Belt and Road Initiative (BRI). As to how this connectivity was to be achieved, the Chinese government would extend generous help in the form of loans and technological assistance.

A new financial institution, the Asian Infrastructure Bank, AIIB, would provide the institutional structure for channeling these loans. The bank was originally proposed in 2009 at the Bo'ao Forum, another of China's challenges to the international financial system, to make better use of China's general foreign currency reserves during the world financial crisis. While all recipients of the bank's largesse were expected to contribute, China's contribution was by far the largest, and the AIIB was, appropriately, headquartered in Beijing. Although the Chinese government has been critical of established international financial aid institutions like the International Monetary Fund, the World Bank, and the Asian Development Bank, it was careful to stress that the AIIB was to supplement these institutions rather than compete with them. Currently the AIIB has, according to its website, 102 approved members, as well as a number of candidate countries.⁵

Going beyond the initial scope of the less developed countries that were in need of loans for infrastructure, the AIIB membership also included highly industrialized states such as Germany and the United Kingdom. Many of these believed that, by joining as founding members, they would be able to influence the AIIB's development. The British government also wished to obtain Chinese investment in newer state-of-the-art nuclear power plants, and hoped that the City of London would become the base for the first clearing house for the renminbi outside Asia.⁶

In time, what began as one belt---a creative recreation of the silk roads from China through Central Asia to Europe---and one road---a maritime silk route allegedly based on ancient sea routes, spread into different spheres that included a digital silk road, an undersea silk road, and an Arctic sea road. The digital silk road was introduced at the Second Belt and Road Forum, held in Beijing in 2019 and represents a broadening of the connectivity goal. It includes strengthening internet infrastructure, deepening space cooperation, developing common technology standards, and improving the efficiency of policing operations.⁷

In 2016, the Chinese Academy of Sciences established two regional research centers as part of a "Digital Earth Under the Information Silk Road" initiative to gather space-based remote sensing data for several projects under the BRI, particularly in South and

⁵ <https://aiib.org>

⁶ "U.S. Anger at Britain Joining China-Backed Investment Bank AIIB," *The Guardian*, March 26, 2015.

⁷ Chan Jia Hao, "China's Digital Silk Road: A Game Changer for Asian Economies," *The Diplomat*, April 30, 2019.

Southeast Asia. The BeiDou-2 navigation satellite system is also being vigorously promoted as an alternative to the Global Positioning System (GPS) of the U.S. government. By summer 2019, it was found more frequently than GPS satellites in 130 countries.⁸

The Undersea Silk Road entails the construction of submarine cable projects. These collectively carry about 95 percent of intercontinental voice and data traffic, making them critical for economic and security interchanges. China's Huawei Marine is now tied with Japan's NEC Corporation as the world's third largest contractor for such projects, just behind France's Alcatel and America's SubCom, which is the market leader. Huawei Marine is involved in at least 98 projects. Its largest completed project, the West Africa Cable System (WACS) runs across 14 countries and connects South Africa with Great Britain. Another project will connect Brazil with Cameroon, and the Finnish government has contracted with Huawei to construct the Arctic Connect cable. The cables currently in use travel under the Red Sea, where they can be damaged by the heavy fishing in the area. As a polar route, Arctic Connect will also be shorter in distance, making for faster connection speeds.⁹

These technologies have the potential to do much good. A Global Energy Interconnection proposed in 2015 aims at supplying the world's demand from clean power and is described as "increasing[ing] mutual trust in politics and creating a new pattern of energy security featuring cooperation, mutual benefit, and win-win results." The project is particularly attractive to countries whose economic development is hindered by power shortages, though China also invested in the Portuguese and Spanish power industries at a time when those countries were among the hardest-hit of the world financial crisis of 2007-2010.¹⁰ Chinese companies announced 35 new power transmission projects outside China between March 2018 and December 2019, in addition to dozens of pre-existing power generation projects. According to the Global Energy Interconnection Development and Cooperation Organization (GEIDCO), the entity established to supervise the enterprise, the total investment in power sources and grids could reach \$27 trillion by 2050.¹¹

Mobile payments facilitate international trade as well as the interchange of goods and services among individuals and many will welcome their further development. In Venezuela, the carnet de patria, or fatherland card, developed by another Chinese telecom

⁸ "More Beidou than GPS in 130 of 195 Countries," Resilient Navigation and Timing Foundation, August 22, 2019. <https://rntfnd.org/2019/08/22/more-beidou-than-gps-in-130-of-195-countries/>

⁹ Frank Jüris, "Handing Over Infrastructure for China's Strategic Objectives," Policy Brief Presented at Conference "Beyond Huawei: Europe's Adoption of PRC Technology and its Implications, Prague, November 27, 2019. p. 7 <https://sinopsis.cz/en/arctic-digital-silk-road/>

¹⁰ Akane Okutsu, Cliff Venzon, and CK Tan, "China's Belt and Road Power Grids Keep Security Critics Awake," *Nikkei*, March 3, 2020.

¹¹ GEIDCO, "Research Report on the Belt and Road Energy Connection," April 2019. https://img1.nengapp.com/tech/ydyl/yjbg_en.html

giant, ZTE, already links holders to the subsidized food, health, and other social benefit programs that most citizens rely on to survive.¹² For the future, China's Ministry of Transport and Communications is working with Huawei to launch 5G broadband services by 2025. Systems that provide faster connectivity and, particularly in the case of submarine cables, are less prone to damages that have periodically caused disruptions in service, are welcomed by all.

Defense and the China Dream

The double-digit increases in the PRC's defense budget that began in 1989---even as other countries were reducing their expenditures due to the disintegration of the Soviet Union---have been slightly reduced in recent years presumably consonant with declining increases in the national GDP. Yet China's defense budget is the world's second largest¹³ and continues to grow at a pace larger than economic growth rates and well above allocations for more needy domestic sectors such as education and health care. Although American defense publications publicly refer to the PRC as a "near peer competitor," other comments seem to indicate that it is considered a peer and, in some areas such as hypersonic weapons, possibly ahead of the United States.

Beijing has used its newly acquired military power to enforce its claims in the East China and South China seas. When an international tribunal ruled that the PRC's claim to the area under a self-drawn nine dash line had no basis in law, China announced that it intended to ignore the verdict.¹⁴ And has done so.

China has also become skilled in gray-area military tactics that avoid kinetic force such as using maritime militias and fishing boats to enforce its claims to contested areas.¹⁵ At times these become violent, as when in 2019, a Chinese trawler travelling at full speed hit and sank a Filipino fishing boat that was anchored in the South China Sea, and then took off, ignoring the boat's crew.¹⁶ In the following year, a large Chinese ship chased and rammed a Vietnamese fishing boat near a contested area.¹⁷ China's response in both cases was that the boats had no right to be in the area. Analysts believe that, with

¹² Angus Berwick, "How ZTE Helps Venezuela Create China-Style Social Control," Reuters, November 14, 2018. <https://www.reuters.com/investigates/special-report/venezuela-zte/>

¹³ International Institute for Strategic Studies, *The Military Balance 2020* (London: Routledge, 2020) p. 21.

¹⁴ Robert D. Williams, "Tribunal Issues Landmark Ruling in South China Sea Arbitration," *lawfareblog.com/tribunal-issues-landmark-ruling-south-china-sea-arbitration*, July 12, 2016.

¹⁵ U.S. Department of Defense, *China Military Power Report 2019*. https://media.defense.gov/2019/May/02/2002127082/-1/-1/1/2019_CHINA_MILITARY_POWER_REPORT.pdf

¹⁶ Julie McCarthy, "Chinese Trawler Hits and Sinks Filipino Fishing Boat," National Public Radio, June 29, 2019. <https://www.npr.org/2019/06/29/737268828/chinese-trawler-hits-and-sinks-filipino-fishing-boat>

¹⁷ No author, "Vietnam Airs Video of Chinese Ship Sinking Fishing Boat in South China Sea," *South China Morning Post*, March 28, 2020. <https://www.scmp.com/news/china/article/1526701/vietnam-air-video-chinese-ship-sinking-fishing-boat-south-china-sea>

claimant states putting more resources into bolstering their presence, more clashes are probable. Vietnam, for example, has quietly fostered a state-supported fishing boat militia with military-trained personnel.¹⁸

Yet the power imbalance between China and any of the other South China Sea claimants would seem to predetermine the outcome. Shortly after the incident with Vietnam, China escalated its claim by establishing new administrative arrangements for the disputed Spratly and Paracel islands and, in a separate action, announcing names for the islands and reefs therein. According to Beijing's *Global Times*, this further consolidates China's sovereignty to the area within the nine-dash line that the Permanent Court of Arbitration had earlier ruled had no basis in international law.¹⁹

Ports have been acquired in strategic areas throughout the world. Much attention has been paid to its acquisition of a base in Djibouti, China's only actual overseas military base, but the Chinese navy's ships have visited other strategically located ports where Chinese companies have important stakes like Gwadar in Pakistan and Hambantota in Sri Lanka, and could presumably be accommodated there in time of armed confrontation.

Non-kinetic Aspects of the China Dream

First introduced in 2003 as guiding concepts for the political work of the People's Liberation Army and soon broadened beyond the military, the "three warfares" can be considered a campaign to win hearts and minds with Chinese characteristics.

- Psychological warfare seeks to undermine the target's resistance through operations designed to demoralize, either by creating a mindset that resistance is futile or instilling a feeling of guilt by suggesting that the target owes China for alleged past misdeeds. Tactics include creating doubts and instigating or encouraging anti-leadership sentiments. Phrases such as "China's inevitable rise" and "the inexorable decline of the United States/West/Japan" have entered public discourse and are often used by people who are unaware that they have adopted Beijing's narrative. Beijing has also incentivized domestic public opinion in rallies to support China's alleged "indisputable sovereignty" over territories "since ancient times" and intimidated opponents through shows of force. It has encouraged its students in foreign universities to protest against policies that run counter to Chinese interests. In the case of the South China and East China seas, the Chinese government points out that the U.S. has said it has no position of the sovereignty of the disputed islands and asks, or has its sympathizers in those countries ask, whether American leaders would risk a

¹⁸ Kristin Huang, "China and Vietnam 'Likely to Clash Again' As they Build Maritime Militias," *South China Morning Post*, April 12, 2020. <https://www.scmp.com/news/china/diplomacy/article/3079436/china-and-vietnam-likely-clash-again-they-build-maritime>

¹⁹ No author, "China's Sansha City Establishes Xisha, Nansha Districts in Major Administrative Move" http://english.chinamil.com.cn/view/2020-04/18/content_9795211.htm

confrontation over such areas, hinting that, if they take a more confrontational stance, the United States would not back them.

- Media warfare uses all entities that inform and influence public opinion, including films, television programs, books, the internet, and the global media network to build support for Chinese policies and dissuade the governments of its targets from pursuing actions contrary to China's interests, with state news agency Xinhua and state television network CGTV particularly active in such endeavors. They have bought space in major newspapers such as the *Washington Post* and the *Wall Street Journal* in which Chinese journalists regularly present the PRC's views on policies. The film industry is another major target, with Chinese businesses buying into film studios and or pointing out to directors that the PRC's censors will either ban a film from being shown in Chinese theaters or demand changes in the script. Since China has the world's largest film audience, studios typically hasten to comply. Paramount, for example, bowed to Chinese pressure by removing the Taiwan and Japanese flags from star Tom Cruise's jacket in the studio's remake of *Top Gun*.²⁰ It has become impossible to have a film that portrays a Chinese character in a bad light shown in China.
- Legal Warfare, "lawfare," uses international law and the targets' own domestic laws to claim the legal high ground or assert Chinese interests. These extend to using bogus law or selective use of provisions in international legal conventions such as the United Nations Convention on the Law of the Sea or producing allegedly definitive maps to bolster Chinese claims to territory or "justify" claims, most notably to the nine-dash line that encompasses about 80 percent of the South China Sea, and to large portions of the East China Sea.²¹

Soft Power, Sharp Power, and the China Dream

Beijing has sought to win hearts and minds abroad in support of Chinese policies. Most observers feel that efforts to create international good will through present-day culture have fallen short of success: officially sponsored Chinese-made films, with their often heavy doses of propaganda, have not been box office successes, and cute cartoon characters have been unable to compete successfully with Disney productions or Japanese anime and manga. Marketing traditional Chinese culture or, more accurately, a selectively chosen version of traditional Chinese culture, has had more success.

The premier vehicles for doing this have been the Confucius Institutes, located within foreign countries' universities, and Confucius Classrooms in elementary schools to teach

²⁰ Alex Lockie, "Looks Like the New *Top Gun* Bows to China's Communist Party by Censoring *Maverick's* Jacket," *Business Insider*, July 20, 2019. <https://www.businessinsider.com/top-guns-maverick-appears-changed-to-please-chinas-communist-party-2019-7>

²¹ See Stefan Halper ed., *China: The Three Warfares*, study prepared for U.S. Department of Defense, Office of the Director of Net Assessment, May 2013, *passim*.

the Chinese language and present cultural programs. Teachers are sent from China, with their salaries paid through the Hanban, a division of the Ministry of Education. The agreement between the university or classroom and the Hanban specifies that nothing be done that will embarrass the Chinese government. This has been construed to mean not inviting certain people such as exiled Tibetan leader the Dalai Lama and Uyghur political activist Rebiya Kadeer, and not speaking out on human rights violations such as the incarceration and mistreatment of over a million Chinese Muslims and an uncounted number of adherents of religious groups, thus running counter to liberal principles about freedom of speech .

The Hanban also ordered that a faculty member of a university in Canada be fired because she was a member of a religious organization that is proscribed in China, although not in Canada. The university refused to do so, and its Confucius Institute closed. At the same time, a former member of the Canadian parliament resigned as a director of the Pierre Eliot Trudeau Foundation after it was revealed that a million dollar donation to the organization and the University of Montreal was made by senior officials in Chinese organizations whose purpose was to project Beijing's influence abroad.²²

In another instance, this time in Portugal, Hanban director and vice-minister Xu Lin insisted on tearing out pages from the conference program of the European Institute of Chinese Studies before it was distributed to attendees because the program listed a foundation headquartered in Taiwan as among the conference's sponsors. The association denounced the act as a "totally unacceptable act of academic bullying," and it became an international incident. BBC then interviewed Hanban director Xu in Beijing, reporting that she confirmed that her organization exports the values of the Chinese Communist Party to foreign academic institutions. Ms. Xu later asked BBC to delete portions of the interview; it refused. The *Wall Street Journal* commented that director Xu had just confirmed critics' charges that the Confucius Institutes pose a threat to academic freedom.²³

Although these and other incidents led to the closure of a number of Confucius Institutes and classrooms, their numbers continue to increase. According to the Hanban's website, there are now 541 institutes and 1170 Confucius Classrooms in the world.²⁴

United Front Work

²² Steven Chase, "Former MP Chuck Strahl Quits Trudeau Foundation in Wake of Donor Revelations," *Globe and Mail*, November 24, 2016. <https://www.theglobeandmail.com/news/politics/ex-mp-chuck-strahl-resigns-from-trudeau-foundation/article33014375/>

²³ No author, "Madam Xu's Party Line: Beijing Confirms That Confucius Institutes Subvert Western Academic Freedom," *Wall Street Journal*, December 25, 2014. <https://www.wsj.com/articles/madam-xus-party-line-1419375797>

²⁴ http://www.hanban.org/confuciusinstitutes/node_10961.htm

Another important part of party and government efforts to win support for their policies is United Front work. In the early days after the founding of the PRC, the party sought to portray itself as bringing together people from all social classes and walks of life to support the building of the communist state. Externally, the CCP's United Front Work Department (UFWD) coordinated visits by sympathetic non-communist leaders, professional groups such as doctors and professors, in fields that they wanted to establish rapport with, and cultural exchange programs. The UFWD also established contacts with Chinese diaspora communities.

After Deng Xiaoping announced China was to be opened to the outside world, increasing numbers of Chinese left the PRC, usually to study or conduct business. Many stayed, becoming citizens of those countries while retaining varying degrees of ties to their native land. Chinese student and scholar associations (CSSAs) proliferated. In addition to providing support for members in the difficult process of adjusting to new ways of life, they could be mobilized to support the party's policies. Non-Chinese, particularly those who enjoyed positions of respect in their communities and or wealth were sought out as well, earning the honorary title of "Friends of China." Apart from relatively minor incidents like protesting against films sympathetic to Tibet and the flying of the Taiwan flag, the organizations had little salience.

This changed with Xi Jinping's ascension to the leadership of party and government in 2012 and 2013, respectively. Delegates to the 18th National Congress in 2012 were lectured on the importance of united front work; those attending the 19th Party Congress five years later heard Xi declare that "united front work is an important magic weapon for the victory of the party's cause."²⁵ Having received clear instruction, the bureaucracy hastened to comply. As in other aspects of China's dealings with the outside world, this increased activism soon began to raise misgivings in the countries toward which united front work was targeted.

The Chinese diaspora and sympathetic Westerners, sometimes from naivete and sometimes in exchange for financial or prestige reasons, have been enlisted in support of the China dream. Sometimes soft power measures, operating through perfectly legal procedures in the states involved, are employed. In others, soft power verges into sharp power, which deliberately seeks to undermine liberal principles through pressure, bullying, illegal financial transactions, and subversion. These influence operations have led to adverse reactions in several different countries including, but not limited to, the following four.

Australia

In Australia, a joint investigation by journalists from two different organizations exposed what their report called a campaign by the Chinese government and its proxies to infiltrate the country's political process. Its targets included universities, local student and community groups, the Chinese language media, and some of the nation's leading

²⁵ "Full Text of Xi Jinping's Address to the 19th Congress of the Central Committee of the People's Republic of China," *Xinhua*, November 3, 2017. www.xinhuanet.com/english/special/2017-11/03/c_136725942.htm

politicians. The head of the Australian Security Investigation Organization (ASIO) warned, not explicitly naming but clearly referring to China, that “espionage and foreign interference are occurring here on an unrepresented scale, with the potential to cause serious harm to this nation’s sovereignty, its security, and ...the integrity of our political system.”

In 2015, a team of counterespionage officers raided the Canberra home of a Chinese woman whose husband was a former high-ranking Australian intelligence official, seizing classified Australian intelligence documents. Her spouse had been Assistant Secretary at Australia’s Office of Net Assessments, with duties that included providing secret intelligence briefings to the prime minister. The woman, described as a socialite with connections to senior levels of government in China and Australia, was named as the intermediary in the transfer of \$200,000 into the bank account of a United Nations official after another wealthy Chinese-Australian had said he wanted the official to become his “sincere friend in [China’s] Guangdong Province.” This was clearly illegal; the woman was charged, pleaded guilty to bribery charges, and served a jail term.

Prior to the raid, ASIO analysts had been tracking the links between political donors in Australia and the Chinese Communist Party, with the ASIO director warning the heads of major political parties that, although no laws had been broken, the donations might come with conditions attached. According to Australian academic Clive Hamilton, major publishing house Allen and Unwin delayed publication of his manuscript, *Silent Invasion*, “due to fears that it would be targeted by Beijing and its proxies in Australia” because he detailed these and other Chinese activities to influence politics.

In the same time frame, it was revealed that Senator Sam Dastyari, a naturalized Iranian-Australian, had allowed a company owned by Chinese billionaire, Huang Xiangmo, who had close connections to the highest levels of the CCP, to pay a legal bill for his office. Later, in a secret meeting with Huang, Dastyari warned him that his phone was likely being tapped in connection with an investigation into his activities. Additionally, at a Chinese media conference, Dastyari had endorsed China’s stance on the South China Sea, contradicting both government policy and the policy of his own party. He resigned from parliament.

A former senior intelligence analyst called for an urgent review of an arrangement under which a Confucius Institute was embedded inside the New South Wales Department of Education, citing the words of a Chinese official that the institutes are an important part of China’s overseas propaganda establishment. Others objected to the placement of an Australia-China Relations Institute (ACRI) inside the University of Technology Sydney, noting that ACRI was founded by donations from the afore-mentioned Huang Xiangmo.

Clive Hamilton testified at an Australian parliamentary hearing on national security legislation that United Front Work Department efforts extended beyond persuading the Chinese Australian community to back the PRC’s policies but also to intimidate and coerce them into doing so. The Chinese foreign ministry’s response was that the PRC

never interferes in the domestic affairs of other countries, and that such allegations are baseless creations of the biased Australian media that are prompted by racism.

New Zealand

In New Zealand, the issue of Chinese interference in politics gained prominence as a result of a detailed investigation by University of Christchurch academic Anne-Marie Brady. As in Australia, the PRC has worked through the Chinese community, supporting youth organizations and buying Chinese language print and broadcasting media. There have been generous donations to candidates for office who support China's positions, and lucrative board memberships and business opportunities for the politicians once they leave office.

The most eye-catching among many revelations was the story of member of parliament Yang Jian. Yang, born and educated in the PRC, had omitted to mention on his application for New Zealand citizenship that he had had a fifteen-year career in China's military intelligence sector. The People's Liberation Army would not have allowed anyone with his background to go overseas to further their studies, as Yang had, without official permission, and would also have had to wait two years to do so, which Yang did not. Having received New Zealand citizenship, Yang became active in politics, and was elected to parliament. As such, he received automatic security clearances, and later accompanied two successive prime ministers to meetings with visiting Chinese leaders, which gave him privileged access to New Zealand's China policy briefing notes and positions.²⁶ Since New Zealand is a member, with Australia, Canada, Great Britain, and the United States, of the Five Eyes intelligence sharing group, Yang would presumably have been able to access those as well.

Canada

As in other countries, Chinese state-owned corporations were able to buy major shares in important Canadian industries by working through Chinese who had become Canadian citizens. A welcoming immigration policy---despite a study by the Canadian Economic Council that said there was plenty of investment money available in Canada---immediately became perverted. A 1997 secret report that was leaked to the press stated that, among other activities, the Chinese intelligence service was using its access to Canadian industries through exchanges of specialists and students, and had set up shell companies to pursue acquisition of economic and technological intelligence. According to the report, over 200 Canadian companies from banking to real estate and high-tech had come under Chinese influence or ownership since the early 1980s through mafia-like secret societies, tycoons who owed the CCP favors, and state-owned corporations. The secret societies also used the companies to pursue criminal activities that included money-laundering and heroin trafficking.

Chinese language newspapers and radio stations were either bought or founded anew to spread the CCP's message; journalists who resisted were fired. Canadian politicians often

²⁶ Anne-Marie Brady, *Magic Weapons: China's Political Influence Activities Under Xi Jinping*, Washington, D.C.: Woodrow Wilson Center, 2018. <https://www.wilsoncenter.org/article/magic-weapons-chinas-political-influence-activities-under-xi-jinping>

acceded to Beijing's wishes to exclude journalists affiliated with a religious movement that had been banned in China from Canadian media events. Canadian universities, like those in many other countries, have become at least partially dependent on students from China, and are aware that speaking out on sensitive issues might result in angry student demonstrations or a Chinese government decision to withdraw the students entirely. A Canadian journalist who conducted an extensive investigation into the issue concluded that the CCP is "riding roughshod" over Canadian values and interfering in its internal affairs to a degree that sometimes amount to a challenge to Canadian sovereignty. While his country's intelligence services have been aware of the dangers for many years, he stated, political officials too often do not seem concerned.²⁷

Great Britain

While the revelations of Chinese machinations have been less numerous from the United Kingdom than elsewhere, they follow a familiar pattern of holding forth trade deals in return for support for Chinese policies and use of Chinese students in support of these ends. In a case involving what might be called "mapfare," Chinese officials pressured the London School of Economics to change a globe to show Taiwan as part of the PRC.²⁸ Politicians, including those at the highest levels of government, are also involved: soon after resigning as prime minister, David Cameron announced that he would lead a billion-dollar infrastructure initiative between the UK and China that is connected to the PRC's belt and road project. A respected U.S. international affairs journal described Cameron's project as "rather uncompromisingly aligned with an aggressive interpretation of Chinese interests."²⁹ He has denied that his duties will involve any discussion of the classified information he was party to as prime minister.

Japan

Unlike the previous four countries, and others such as Taiwan,³⁰ United Front activities in Japan have had limited success. This does not mean that they have been absent, as successive Japanese governments have tried to find a proper balance between, on the one hand, a country it wanted to placate and trade with, and, on that other, guard against that country's proclaimed desire to export its ideological and social system to Japan. After nationalism displaced communist ideology in the PRC and the country's economic growth took off, Beijing stepped up efforts to use the lure of lucrative contracts to gain

²⁷ Jonathan Manthorpe, *Claws of the Panda: Beijing's Campaign of Influence in Canada*. (Toronto: Cormorant Books, 2019) *passim*.

²⁸ No author, "A Cartographic Clash Between the LSE and its Chinese Students," *Economist*, April 13, 2019. <https://www.economist.com/britain/2019/04/13/a-cartographic-clash-between-the-lse-and-its-chinese-students>

²⁹ Bruno Maçães, "David Cameron Didn't Just Sell Out to China," *Foreign Policy*, December 20, 2017. <https://foreignpolicy.com/2017/12/20/david-cameron-didnt-just-sell-out-to-china/>

³⁰ for a detailed discussion of United Front activities in Taiwan, see June Teufel Dreyer, "The Big Squeeze: Beijing's Anaconda Strategy to Force Taiwan to Surrender," Foreign Policy Research Institute e-note, August 2018. <https://www.fpri.org/article/2018/08/the-big-squeeze-beijings-anaconda-strategy-to-force-taiwan-to-surrender/>

compliance with its policies. Another conduit for United Front activities are Chinese students, who as of the end of 2019 comprised the largest group, 38 percent, of international students in Japan. Chinese student associations in Okinawa have been supportive of anti-base activities there, and there are concerns that the students could be used for theft of technology or influence over university policies. Another possible conduit is collusion between Japanese gangs, the yakuza, and their Chinese counterparts who, like all other segments of Chinese society, are constitutionally bound to supply information to the government.

But there are important differences that make it more difficult for United Front activities to succeed in Japan. First, although the non-Japanese proportion of the population, has increased in recent years, it has historically been very small. The path to citizenship is steep, and complaints of discrimination against non-Japanese are frequent. Unlike several of the above-mentioned countries, no Japanese newspapers are owned by Chinese affiliated entities. That a Chinese who was born, educated, and previously employed by a PRC military university could be naturalized, elected to parliament, and given high-level security clearances, as happened in New Zealand, is unthinkable. As is the possibility that wealthy Chinese residents could underwrite the election campaigns of those who then argue China's case, contrary to the policy of their own government and party, as happened in Australia. No former high-ranking Japanese intelligence officials or military men have taken up residence in China, as has several times occurred Taiwan. Nor has a former Japanese prime minister agreed to head a Chinese investment fund, as happened in Britain. In short, the more closed nature of Japanese society has given it a degree of protection. A concern is that the forces of globalization, when combined with more foreign workers being absorbed to meet labor shortages, may be eroding these protections and increasing Japan's vulnerability.³¹

Subnational Efforts

Where central governments are resistant, support from lower levels is courted as well. In February 2020, U.S. Secretary of State Mike Pompeo revealed that a Chinese government-backed think tank had produced a report on each of America's 50 governors, labeling them friendly, hardline, or ambiguous in their attitudes toward the PRC.³² Those designated friendly or able to be won over would receive invitations to attend a networking event that promised great "deal-making opportunities" with the Chinese government. Very few would have been aware that the host, the Chinese People's

³¹ for a fuller treatment of Chinese activities in Japan, see June Teufel Dreyer, "China's Political Warfare Against Japan," *Orbis*, Spring 2020 pp, 249-270. <https://doi.org/10.1016/j.orbis.2020.02.007>

³² *Zhimin (D.C. Thinktank)* "Meiguo Dui Hua Taidu Quanjing—Zhoujiang Pian" (Overview of American Attitudes Toward China: Section on Governors" June 22, 2019, <https://www.documentcloud.org/documents/6779094-PRC-Think-Tank-Study-on-US-Governors-Attitudes.html>

Association for Friendship in Foreign Countries, was the public face of the United Front Work Department.³³

Responding to hostility from Washington on the coronavirus pandemic, the editor of Beijing's nationalistic *Global Times* advocated working with state governments instead, "while giving the federal government a cold shoulder."³⁴ Typically, this involves efforts to get the state to praise the Chinese government's handling of the virus. The president of Wisconsin's state senate received multiple emails from a woman claiming to be "responsible for China-Wisconsin relations" that asked him to "consider adopting a resolution expressing solidarity with the Chinese people in fighting the coronavirus" even including the draft of such a resolution. A check revealed that she was the wife of the Chinese consul general in Chicago.³⁵

Among Chinese reasons for the pique with the U.S. federal government was the revelation by its intelligence agencies that Chinese operatives spread disinformation across social media platforms to create panic during that coronavirus pandemic. Among their findings are that top Chinese officials issued directives to agencies to engage in a global disinformation campaign around the virus. Some of these disinformation articles have stressed disunity among European nations and praise for China's generous "donations," while failing to mention reports that the equipment was defective or shoddy, and that in at least some cases had been paid for rather than donated. Another, citing a bogus source in the Department of Homeland Security, said that the administration planned to lock down the United States as soon as troops were in place to help prevent looters and rioters.³⁶

Combining co-option with intimidation, now known as "wolf warrior diplomacy,"³⁷ these efforts have been accompanied by a more assertive manner among Chinese military and diplomatic sources that foreign officials first began to notice in 2010. Among other occurrences, the PRC's then foreign minister and currently state councilor, Yang Jiechi,

³³ Megan Fox, "Busted: Mike Pompeo Says He Has List of American Governors Named as 'Friendly' by Communist China," *PJ Media*, February 9, 2020. <https://pjmedia.com/trending/busted-mike-pompeo-says-he-has-list-of-american-governors-compromised-by-communist-china/>

³⁴ Hu Xijin, "Cooperate with US states on virus fight, not federal government" *Global Times*, April 19, 2020 <https://www.globaltimes.cn/content/1186035.shtml>

³⁵ Tobias Hoonhout, "Chinese Consulate Asked Wisconsin State Senate to Praise CCP for 'Sharing Key Information' about Coronavirus, Emails Show" *National Review* April 14, 2020 <https://www.nationalreview.com/news/chinese-consulate-asked-wisconsin-state-senate-to-praise-ccp-for-sharing-key-information-about-coronavirus-emails-show/>

³⁶ Edward Wong, Matthew Rosenberg, and Julian E. Barnes, "Chinese Agents Spread Messages That Sowed Virus Panic in U.S., Officials Say," *New York Times* April 22, 2020. <https://www.nytimes.com/2020/04/22/us/politics/coronavirus-china-disinformation.html?smid=em-share>

³⁷ "wolf warrior diplomats" are named after patriotic blockbuster films starring a muscular Chinese commando killing American mercenaries in Africa and Southeast Asia with his bare hands.

replying to ASEAN delegates wanting to discuss their territorial disputes at a meeting in Hanoi, said pointedly that China was a big country and others were small “and that’s just a fact.”³⁸

A year later, the Chinese ambassador to New Delhi told an Indian reporter to “shut up” when the journalist repeatedly questioned him about a map on the cover of a Chinese firm’s brochure that showed Arunachal Pradesh and other contested areas as part of China or Pakistan.³⁹

In Sweden, relations with PRC cooled after several incidents that indicated that Beijing had little respect for Swedish law, even in Sweden. In 2018, a diplomatic row began after Swedish police removed a group of Chinese tourists from a hotel when it was discovered that they had booked their rooms for different date and were refused permission to remain in the lobby until then. The group sent a dramatic videotape to Chinese social media showing a man yelling in English “this is killing,” then falling over as his mother cried “help” while police officers looked on. A subsequent satirical sketch on Swedish television further enraged Chinese public opinion, with Foreign Minister Geng Shuang calling the program “a gross insult and vicious attack on China and the Chinese people.”⁴⁰

In a more serious case, Gui Minhai, a naturalized Swedish citizen whose Hong Kong bookstore had sold books critical of the Chinese leadership, was abducted from a train while on a visit to China. He later received a ten-year prison term for allegedly providing intelligence to foreign sources. According to Chinese sources, Gui had renounced his Swedish citizenship. The Swedish government is skeptical, and believes his confession was forced.⁴¹ When Gui received the Swedish PEN award, the Chinese embassy warned Sweden of “serious consequences,” to which Swedish Prime Minister Stefan Lofven replied that the country would “never give in to this type of threat... Never. We have freedom of expression in Sweden and that’s how it is, period.”⁴² By early 2020 the Swedish foreign ministry had summoned Chinese ambassador Gui Congyu more than 40

³⁸ John Pomfret, “U.S. Takes A Tougher Tone with China” *Washington Post*, July 30, 2010. <http://www.washingtonpost.com/wp-dyn/content/article/2010/07/29/...>

³⁹ Sameer Arshad, “Distorted Map: Chinese Ambassador Tells Indian Journalist to Shut Up,” *Times of India*, November 3, 2011, <https://timesofindia.indiatimes.com/india/Distorted-map-Chinese-ambassador-tells-Indian-journalist-to-shut-up/articleshow/10595147.cms>

⁴⁰ No author, “Why Sweden and China Have Fallen Out So Badly,” BBC September 26, 2018 <https://www.bbc.com/news/world-asia-china-45635646>

⁴¹ Lily Guo, “Hong Kong Bookseller Gui Minhai Jailed For 10 Years in China,” *The Guardian*, February 25, 2020. <https://www.theguardian.com/world/2020/feb/25/gui-minhai-detained-hong-kong-bookseller-jailed-for-10-years-in-china>

⁴² No author, “China Threatens Sweden After Gui Minhai Wins Free Speech Award,” *The Guardian*, November 18, 2019. <https://www.theguardian.com/books/2019/nov/18/china-threatens-sweden-after-gui-minhai-wins-free-speech-award>

times for what the Paris-based Reporters Without Borders called his spiteful attacks on Swedish media and journalists.⁴³

The prime minister of the Czech Republic asked that the Chinese ambassador to Prague be recalled after he wrote a letter suggesting that Czech companies operating in China would suffer if the then-senate speaker of its parliament visited Taiwan.⁴⁴ The mayor of Prague, Zdenek Hrib, had already incurred Beijing's anger when he refused to comply with the Chinese ambassador's request that he expel the representative of Taiwan to a function to which he had been invited, blocking the queue of other ambassadors waiting on the reception line. When his request was refused, the ambassador abruptly left the gathering. Before becoming mayor and while serving as member of the city assembly, Hrib had also advocated removing the "one China" clause from the sister city agreement between Prague and Beijing, prompting Beijing to cancel the agreement. The city council then approved a sister city relationship between Taipei and Prague.⁴⁵

When Nobel literature laureate Mario Vargas Llosa, in a newspaper article published in both Spain and in Peru, said that the coronavirus pandemic would not have happened were China a democracy rather than a dictatorship that stifled information, he was accused of arbitrary defamation and stigmatization, with a Chinese foreign ministry spokesman tweeting that "it might be the U.S. army who brought the epidemic to Wuhan."⁴⁶

And China demanded an official apology when Eduardo Bolsonaro, son of President Jair Bolsonaro accused China of misleading the world about the scale of the virus outbreak, comparing its management of the crisis with the Soviet regime's handling of the Chernobyl nuclear disaster in 1986. The Chinese embassy in Brasilia then accused the younger Bolsonaro of having a "mental virus that is infecting the friendship between our peoples," alluding to a trip he had made to the United States.⁴⁷ Beijing's anger escalated when Brazil's education minister accused Chinese medical equipment makers of

⁴³ Repotrar Utan Granser, "New report: China's media world order – no stop for Chinese attacks on Swedish journalists," February 19, 2020 <https://www.reportrarutangranser.se/new-report-chinas-media-world-order-no-stop-for-chinese-attacks-on-swedish-journalists/#>

⁴⁴ No author, "Czech Prime Minister Says China's Ambassador Should Be Replaced, Reuters March 9 2020, <https://www.reuters.com/article/us-china-czech/czech-prime-minister-says-chinas-ambassador-should-be-replaced-idUSKBN20W1EH>

⁴⁵ James Shotter, "Prague Mayor Fights to Put Distance Between Prague and Beijing," *Financial Times*, January 2, 2020 <https://www.ft.com/content/3f89c6ae-1ce1-11ea-9186-7348c2f183af>

⁴⁶ No author, "China Hits Out as Nobel Laureate Mario Vargas Llosa Over 'Prejudiced' Virus Article" *Straits Times*, March 17, 2020. <https://www.straitstimes.com/world/americas/china-hits-out-at-nobel-laureate-mario-vargas-llosa-over-prejudiced-virus-article>

⁴⁷ Sami Adghirni, "China Outraged as Bolsonaro's Son Blames Virus on Beijing" Bloomberg, March 19, 2020. <https://www.bloomberg.com/news/articles/2020-03-19/china-outraged-as-brazil-president-s-son-blames-virus-on-beijing>

profiteering from the coronavirus pandemic and, in a twitter post that he later deleted, that the disease would help China “dominate the world.”⁴⁸

When the Australian government pressed for an independent inquiry into the outbreak of the coronavirus, China’s ambassador to Canberra told media that continuing to do so could result in a boycott of the country’s goods, and a foreign ministry spokesman rejected the request as a “political maneuver.” Chin has since suspended meat imports from four Australian abattoirs,⁴⁹ with the editor of *Global Times* adding that Australia “is a bit like chewing gum stuck on the sole of China’s shoes.”⁵⁰ At the height of the coronavirus pandemic, after the Netherlands government discovered that coronavirus testing kits sent by China were faulty, China threatened to withhold medical aid to the Netherlands for changing the name of its representative office in Taiwan to include the word “Taipei,” under which Taiwan has for years participated in various international organizations without objection from China.⁵¹

China’s efforts to pressure Western countries to endorse the PRC’s version of its allegedly rapid, efficient handling of the coronavirus outbreak were rebuffed by officials in Berlin, with the Chinese embassy accusing the newspaper that reported the exchange of “inaccurate and irresponsible reporting filled with arrogance and a feel-good attitude.”⁵² An open letter from the Chinese embassy criticizing Europe’s best-selling tabloid *Bild* resulted in a scathing and detailed response YouTube rejoinder. Inter alia, the editor of the Berlin-based magazine asked how China could surveil its own people but not its wet markets and accused the government of “imperialism with a smile.”⁵³

British foreign secretary Dominic Raab, serving as acting prime minister while Prime Minister Boris Johnson was hospitalized with the coronavirus, stated that there could be “no return to business as usual” due to Beijing’s lack of transparency over the origins of

⁴⁸ Eduardo Simoes, “Brazil-China Diplomatic Spat Escalates Over Coronavirus Supplies” U.S. News and World Report, April 6, 2020. <https://www.usnews.com/news/world/articles/2020-04-06/brazil-china-diplomatic-spat-escalates-over-coronavirus-supplies>

⁴⁹ Mike Foley and Eryk Bagshaw, “China Suspends Meat Imports from Four Australian Abattoirs,” *Sydney Morning Herald*, May 12, 2020. <https://www.smh.com.au/politics/federal/china-suspends-australian-beef-imports-from-four-abattoirs-20200512-p54s4k.html>

⁵⁰ Lily Kuo, “Australia Called ‘Gum Stuck to China’s Shoe’ by State Media in Coronavirus Investigation Stoush,” *The Guardian*, April 28, 2020. <https://www.theguardian.com/world/2020/apr/28/australia-called-gum-stuck-to-chinas-shoe-by-state-media-in-coronavirus-investigation-stoush>

⁵¹ Steven Erlanger, “Global Backlash Builds Against China Over Coronavirus,” *New York Times*, May 3, 2020, <https://www.nytimes.com/2020/05/03/world/europe/backlash-china-coronavirus.html>

⁵² Stuart Lau “Coronavirus: Germany ‘rejected China’s bid for positive spin’ on pandemic response” *South China Morning Post*, April 27, 2020 <https://www.scmp.com/news/china/diplomacy/article/3081800/coronavirus-germany-rejected-chinas-bid-positive-spin-pandemic>

⁵³ <https://www.facebook.com/663112015/posts/10156753447637016/>

the pandemic.⁵⁴ While accusations that the Chinese party and government lack transparency have been common for decades, it seems safe to say that its efforts to minimize the danger of the virus outbreak, deflect the responsibility elsewhere, and attack those who disagree have magnified prior concerns into a major credibility gap.

These efforts at pushback are, however, rare. Many more times, China's Rumpelstiltskin-like outbursts, or the fear thereof, can induce self-censorship: "if we do [X], it will make China angry, so we'd better not do it". One European analyst has pointed out that most often there is no "smoking gun," since that is not necessary.

Another motivation for pre-emptive capitulation is resentment against another state or states. A case in point is Greece. After its feckless financial management led Athens to seek help from the European Union, the EU imposed stringent budgetary conditions that angered the Greek population. Greece welcomed investment by Chinese state-owned China Ocean Shipping Company, COSCO. By 2016, COSCO had a majority stake in the Piraeus Port Authority, consummated in the signing of a concession agreement that runs until at least 2052. COSCO now controls the port's container terminals, cruise ship piers, and a ferry quay.⁵⁵ Athens helped to stop the EU from issuing a unified statement against Chinese aggression in the South China Sea, later preventing the EU from condemning the PRC's human rights record and opposing closer scrutiny of Chinese investments in Europe. Chided by the EU, the head of Greece's foreign affairs and defense committee contrasted China, which brought in money, with the EU, whose behavior he likened to that of "medieval leeches."⁵⁶ Similar reasons may motivate the attitude of Philippine president Rodrigo Duterte, who resents American criticism of his administration's human rights record.

Other nations are also aware that the Canadian government's arrest of Huawei's chief financial officer was followed by the detention of Canadian citizens, that China threatened to withhold rare earths exports to Japan unless its fishing boat captain was released, and that sanctions were imposed on Norway after the Nobel Peace Prize was awarded to dissident Liu Xiaobo.

The sum total of these endeavors is that China has created situations in which its adversaries must react, but to which they are not able to react effectively. A report from Eastern European analysts describes the situation in the 17 + 1 configuration of Eastern

⁵⁴ George Parker, "Raab Fires Warning Shot at China Over Coronavirus," *Financial Times*, April 16, 2020 <https://www.ft.com/content/8c46252e-766f-4fe6-964f-fe7f67a03c0e>

⁵⁵ Joanna Kakissis, "Chinese Firms Now Hold Stakes Over a Dozen European Ports," National Public Radio, October 9, 2018. <https://www.npr.org/2018/10/09/642587456/chinese-firms-now-hold-stakes-in-over-a-dozen-european-ports>

⁵⁶ Jason Horowitz and Liz Alderman, "Chastised By the EU, a Resentful Greece Embraces China's Cash and Interests," *New York Times*, August 26, 2017 <https://www.nytimes.com/2017/08/26/world/europe/greece-china-piraeus-alexis-tsipras.html>

European states plus China as a hub and spokes, with China at the center guiding policies and the other 17 having little to no communication with each other.⁵⁷

Results of the Dream: The Morning After

Connectivity can be a source of vulnerability as well as enhanced trade. No mere facilitators of commercial competition, Chinese satellites are believed to be able to jam signals and could do so in cyberattacks. And, while trans-national supply chains can create cost-cutting efficiencies in production, they can also hold production hostage when there are disputes among the parties.

The case of Japan is illustrative. In 2010, after a Chinese fishing boat rammed two Japanese coast guard ships in the waters near the Senkaku Islands and its captain was arrested by the Japanese government, the Chinese government imposed sanctions on trade with Japan and arrested several Japanese nationals on spying charge until the captain was returned. Beijing then announced that its vessels would begin patrolling the area to protect the country's legitimate interests in the area. Two years later, in response to the Japanese government's buying three of the disputed islands from their Japanese owner, anti-Japanese riots broke out in several cities in China causing millions of dollars to Japanese factories and other business interests in the PRC. China patrols around the disputed islands became more frequent as well.

Another case in point is Vietnam, where Chinese investors had underwritten both physical and digital infrastructure development. When, in 2017, the Vietnamese government voiced its opposition to the PRC's assertion of authority over contested areas in the South China Sea, the investors stopped cash flows into the projects. At the same time, Vietnam's airport systems, which had been developed by Chinese companies, were disrupted by hackers.⁵⁸

Ethiopians discovered from an investigation by French newspaper *Le Monde* that data from the African Union's headquarters had been transferred nightly to Chinese servers for five years. During a sweep for bugs after the discovery, microphones were also found hidden in desks and walls. China denied the charges. Construction of the AU's \$200 million facility, located in Dar Es-Salam was supervised and fully funded by China.⁵⁹

⁵⁷ Ivana Karaskova et al *Empty Shell No More: China's Growing Footprint in Central and Eastern Europe*, Prague, Association for International Affairs, Prague, April 20, 2020, p.7 [chinaobservers.eu > new-publication-empty-shell-no-more...](http://chinaobservers.eu/new-publication-empty-shell-no-more...)

⁵⁸ No author, "The Cybersecurity Implications of Chinese Undersea Cable Investment," Henry M. Jackson School of International Studies, University of Washington, February 6, 2017. <https://jsis.washington.edu/eacenter/2017/02/06/cybersecurity-implications-chinese-undersea-cable-investment/>

⁵⁹ "China Rejects Claim It Bugged Headquarters it Built for African Union," *The Guardian*, March 29, 2018. <https://www.theguardian.com/world/2018/jan/30/china-african-union-headquarters-bugging-spying>

When Sri Lanka could not repay Chinese loans that it had used to finance the development of Hambantota, it leased the facility to China Merchants Ports Holdings for 99 years. Hambantota's strategic location, overlooking South Asia's vital sea lanes, makes it an important asset for the PRC both commercially and militarily. Indian analysts, sensitive to the implications for their own country, fear that Hambantota will become a facility for forward-arming, restocking, and refueling of high-end naval assets, with the government in Colombo having little ability to resist.⁶⁰ These and other examples of a state having to forfeit assets after being unable to repay Chinese loans have given rise to fears that they are being lured into "debt traps," a charge that Beijing vehemently denies.

Venezuela's carnet de la patria, in addition to providing access to government services, also allows the government unfettered access to all other aspects of the card-carriers lives, including their business activities and voting behavior.

In the Philippines, there has been an investigation into potential security risks due to Chinese's part ownership of that country's power grid operator. Similar concerns are apt to exist in other countries connected to the grid, including Myanmar, Laos, and Vietnam. Failure to comply with Beijing's wishes could bring the economy to a halt.⁶¹

Implementation of the Arctic Connect project would give China the ability to monitor the passage of other countries' submarines in the area. In addition, missiles launched from there by Chinese submarines would travel the shortest distance to any major city in the northern hemisphere. The cables themselves, with or without additional sensing equipment, can be used to create an underwater surveillance system.⁶²

And, with much of the world's attention riveted on dealing with the coronavirus, Beijing, has introduced a new administrative system to further consolidate de facto sovereignty over the area within its self-proclaimed nine-dash line, also completing the naming of the islands and reefs therein.⁶³

⁶⁰ Abhijit Singh, "China's Strategic Ambitions Seen in the Hambantota Port in Sri Lanka," *Hindustan Times*, July 26, 2018. <https://www.hindustantimes.com/analysis/china-s-strategic-ambitions-seen-in-the-hambantota-port-in-sri-lanka/story-PErf7dzG8lZINVGuF37gxK.html>

⁶¹ Akane Okutsu, Cliff Venzon, and CK Tan, "China's Belt and Road Power Grids Keep Security Critics Awake," *Nikkei*, March 3, 2020. <https://asia.nikkei.com/Spotlight/Asia-Insight/China-s-Belt-and-Road-power-grids-keep-security-critics-awake>

⁶² Frank Jüris, "Handing over infrastructure for China's strategic objectives: 'Arctic Connect' and the Digital Silk Road in the Arctic," p. 4. Policy brief presented at the conference "Beyond Huawei: Europe's adoption of PRC technology and its implications", organized by *Sinopsis*. March 3, 2020 <https://sinopsis.cz/en/arctic-digital-silk-road/>

⁶³ Leng Shumei, "Names of Islands, Reefs in South China Sea Released," *Global Times*, April 19, 2020. <https://www.globaltimes.cn/content/1186084.shtml>

Also controversially, the PRC's Liaison Office in Hong Kong announced that China was not bound by a clause in the city's Basic Law that bars the Beijing government from interfering in local affairs---and that it would re-introduce national security legislation.⁶⁴ It has warned that a resurgence of the violence that wracked the colony last year over such legislation will not be tolerated, and arrested 15 high-profile pro-democracy advocates. The activists' supporters describe the arrests as a golden opportunity to crack down on dissent and make sure that those detained cannot run in the elections that are scheduled for September. Assuming they are freed, their future in Hong Kong, and the freedoms that were promised to the former British colony, are in jeopardy if they stay.⁶⁵ Even if they leave Hong Kong, they may not be safe. Taiwan allowed a Hong Kong bookstore owner who was arrested and tortured in China, presumably for selling literature critical of the Chinese leadership, to reopen his shop in Taipei. Just before the store was to open, the bookseller was doused with red paint by a communist sympathizer as he sat in a coffeehouse.⁶⁶

To what extent are all these activities connected—in other words, does China have a grand strategy or, as some have argued, are these simply a disconnected series of business and military decisions that foreigners choose to see as a pattern? Whether disconnected or not---and the argument for connectedness appears the more plausible of the two---the end result is the same. Party and government use China's growing military strength to back up commercial enterprises, and civilian-military fusion is an important part of the Chinese government's game plan. What might be called China Incorporated strives for a fusion of party, government, military, and trade. Telecommunications giant Huawei Corporation's protestations of autonomy notwithstanding, China does not have businesses that can operate free of state control. Should there have been any doubt, a national intelligence law passed in 2017 obliges Chinese nationals and organization to cooperate with intelligence services.⁶⁷ Although some have advocated that affected states "accommodate" a rising power, it is clear that Beijing, judged by its own words and deeds, does not wish to be accommodated but rather to displace. Nor is it certain that the PRC will continue to rise.

What Is To Be Done?

⁶⁴ Michael C. Davis, "Controversy Over Role of Beijing's Offices in Hong Kong Shows Weight of 'One Country' Threatens Scaffolding of 'Two Systems,'" *South China Morning Post*, April 24, 2020. <https://www.scmp.com/comment/opinion/article/3081090/controversy-over-role-beijings-offices-hong-kong-shows-weight-one>

⁶⁵ Helen Davidson, "Hong Kong Using Covid-19 Crisis As 'Golden Opportunity' for Crackdown, Says Arrested Leader," *The Guardian*, April 20, 2020. <https://www.theguardian.com/world/2020/apr/20/hong-kong-using-covid-19-crisis-as-golden-opportunity-for-crackdown-says-arrested-leader>

⁶⁶ No author "Hong Kong bookstore under attack in China reopens in Taiwan" Associated Press/*Asahi Shimbun*, 25 April 2020 <http://www.asahi.com/ajw/articles/13327903>

⁶⁷ Murray Scot Tanner "China's New Intelligence Law: From Defense to Offense," *Lawfare Blog*, July 20, 2017. <https://www.lawfareblog.com/beijings-new-national-intelligence-law-defense-offense>

We must recognize that, contrary to what some seem to believe, the continued advance of a Chinese juggernaut whose values will ultimately prevail is not inevitable. Democracies are not powerless to counter Chinese aggression, nor is capitulation the only alternative to war. The success of Xi's great struggle to have the Chinese system prevail is not a foregone conclusion: China has vulnerabilities.

Chinese Vulnerabilities

Many of the BRI projects are not working out as promised. In Pakistan, a focal point for shipment of goods through Central Asia, Seven years after the China-Pakistan Economic Corridor (CPEC) was established, there is little evidence that its vision of a seaport, roads, railways, pipelines, dozens of factories and the largest airport in Pakistan is realized. There have been frictions involving the management of the port of Gwadar, and Baluchi separatists have attacked workers on the CPEC. Several Chinese have been killed.⁶⁸

The passage through Central Asia has also experienced problems. Meant to facilitate the passage of goods from China to Europe, it has come athwart rivalries among several Central Asian states who sometimes balk at cooperating with each other, resentment against the increased presence of Chinese in their countries, and concern that over a million Turkic Muslims have been incarcerated and mistreated in neighboring Xinjiang. In Kazakhstan, there have been demonstrations against Kazakh land being sold to Chinese.⁶⁹

In Malaysia, Prime Minister Mahathir Mohamad, a strident critic of his predecessor's approach to China, accused him of selling Malaysia's sovereignty to China, particularly on the BRI issue. He was able to renegotiate several of the projects, while adding a note of caution that freedom of passage on both sea and land should be respected.⁷⁰

With regard to Africa, decades of Chinese efforts to establish friendship have been marred by racist incidents related to pandemic controls: in south China, African businesses were closed, Africans were evicted from their homes, and restaurants refused

⁶⁸ Sheridan Prasso, "One of China's Most Ambitious Projects Becomes a Corridor to Nowhere," Bloomberg, March 7, 2020. <https://www.bloomberg.com/news/features/2020-03-02/a-china-belt-and-road-project-becomes-a-corridor-to-nowhere>

⁶⁹ See, e.g., Reid Standish, "China's Path Forward is Getting Bumpy," *The Atlantic*, October 1, 2019. <https://www.theatlantic.com/international/archive/2019/10/china-belt-road-initiative-problems-kazakhstan/597853/>; Marlene Laruelle, ed., *China's Belt and Road Initiative and Its Impact in Central Asia*, Washington, D.C.: The George Washington University Central Asia Program, 2018. https://centralasiaprogram.org/wp-content/uploads/2017/12/OBOR_Book_.pdf

⁷⁰ Kinling Lo, "Malaysia's Mahathir Backs China's Belt and Road, But Insists on Open Trade Routes," *South China Morning Post*, April 26, 2019. <https://www.scmp.com/news/china/diplomacy/article/3007874/malysias-mahathir-backs-chinas-belt-and-road-insists-open>

to serve them. Their videotaped stories became major news on African television channels, just as quarantines kept millions in their homes with more time to watch. An estimated dozen countries on the continent called in their ambassadors to complain, and African ambassadors in Beijing signed a joint document of protest.⁷¹

Difficulties with BRI are not the only vulnerability that may derail the China Dream. Xi's espousal of a cult of personality with himself at the center has displeased many otherwise loyal party members who feel that self-aggrandizement is inimical to communist ideals. For the same reason, there is a good deal of resentment over Xi's removing term limits for the presidency. His essentially wrapping himself into the dream, accompanied by successful purges of rivals with the aid of an anti-corruption campaign may prove a liability if the dream does not survive waking hours. Corruption that reaches into the highest levels of party and government continues, and the government's belated efforts to curb the dangerous levels of pollution that are by-products of its rapid industrialization have had marginal success. The financial system was precarious even before the coronavirus pandemic. While there is broad agreement that economic restructuring is necessary, it has proved impossible to do.⁷²

Even more efficacious in promoting the China Dream than military power has been money: aid, loans, trade and investment deals and to grant or withhold. Should this ability to keep dispensing largesse decrease due to the decline in economic growth that began before the trade war with the United States and the impact of the coronavirus, fewer countries would be inclined to endorse Beijing's policy positions or see it as a model for their own development. Internal divisions may also become more pronounced. Central planners, already concerned about high youth unemployment, are facing a historically large college graduating class and are acutely aware of the restive penchant of that demographic. To reduce the possibility of social instability, those who cannot find jobs are being urged to enroll in graduate degrees or join the military, and the government will

⁷¹ Chun Han Wong, Joe Parkinson, and Nicholas Bariyo, "African Countries Complain of Racism in Chinese City's Pandemic Controls," *Wall Street Journal*, April 14, 2020. <https://www.wsj.com/articles/african-countries-complain-of-racism-in-chinese-citys-pandemic-controls-11586808397> ; see also *Kenya Report*, April 20, 2020 https://kenyanreport.com/2020/04/15/video-nigerians-burn-chinese-factory-in-retaliation-to-attacks-of-africans-in-china/?fbclid=IwAR0AdrfJDX5v_SEKLwbofA3U8mrQacx1OMjvbp3IjvSNs7TVGo1nHYSvbR0

⁷² Efforts have been made, though falling far short of the restructuring that economists agree is needed. For example, in order to be more competitive and less reliant on state subsidies, CNPC, Sinopec and CNOOC to form COGPC, China Oil and Gas Piping Network Corporation were merged in December 2019. This followed the merger of CNR and CSR, the two largest railcar manufacturers, in 2014 to create CRRC and in 2015, two largest shipping groups reshuffled to create four mini-monopolies encompassing container shipping, energy transport, maritime finance, and ports. This leaves little room for private sector companies to survive much less thrive in competition with what Beijing calls national champion industries. See, e.g., Tom Mitchell, "Why China's State Oil Company Merger Looks Like an Unusual Step," *Financial Times*, April 7, 2020. <https://www.ft.com/content/48b0961b-8704-4ba0-9c82-8d5723629e55>

increase civil service hiring.⁷³ The first may prove a temporary fix unless there are jobs suitable for the additional degrees students have earned, and more soldiers and civil servants will impose an additional burden on China's already stressed budget.

Counterstrategies

The sum total of these efforts to bend international governance to its will indicate that Chinese strategy has broken with Deng Xiaoping's advice to "hide and bide," as is consonant with the nation's arrival at a far more powerful position than it held when the then-paramount leader laid down the hide and bide strategy.

While diagnosing the problem is easy, it is harder to decide how to respond, and harder still to operationalize the remedies.

A number of counterstrategies have been suggested, none of which is without controversy. Among those commonly heard are

- discussions among interested parties who feel regionally or strategically threatened on a common policy toward China. To borrow the terminology of the 17+1 group analysts, the spokes would communicate with each other, and not just be communicated to by the hub
- provide additional resources to organizations such as America's Committee on Foreign Investments in the United States (CFIUS) to investigate the implications of Chinese investments in the relevant countries
- expand restrictions on the export of dual-use technology to include hardware and software that could facilitate political censorship, surveillance, and oppression in China and elsewhere
- enlist the country's high-tech talents to penetrate China's Great Firewall of the internet
- expand outreach to the Chinese people so that they hear other countries' side of issues
- require reciprocity: if Chinese papers are to be allowed space in U.S. newspapers, U.S. papers should have equal, and equally uncensored, space in Chinese newspapers
- vigorously combat disinformation and cyber intrusions
- require Beijing media to comply with foreign agent registration acts, known in the United States as FARA
- increase penalties for non-compliance with these regulations

⁷³ Stu Woo, *Wall Street Journal*, March 30, 2020, A New Shortage in China's Coronavirus-Hit Economy: Jobs for Biggest Graduating Class in Years
<https://www.wsj.com/articles/a-new-shortage-in-chinas-coronavirus-hit-economy-jobs-for-biggest-graduating-class-in-years-11585580297>

- monitor more closely Chinese activities in one's country to distinguish between legitimate business and educational opportunities and those that aim at influencing or subverting the target government's policies
- identify strategically significant supply lines and move them back to one's own or another friendly country so that they cannot be withheld in time of crisis, as China has several times threatened to do
- disestablish Confucius Institutes and classrooms embedded within educational institutes

Some of these measures are being taken, although in nascent form and not without critics in the countries involved. To date,

- Sweden has closed all of its Confucius Institutes, many twin city agreements with Chinese counterparts have been cancelled.⁷⁴
- Prompted by legislation from congress, a number of Confucius Institutes have closed in the U.S.
- Australia passed laws barring foreign donations to political campaigns and, separately, mandated that people or companies in Australia who are acting on behalf of foreign principals in the political sphere must register and detail their activities on a public website. Failure to register is punishable by up to five years in prison.⁷⁵
- Japan will subsidize moving supply chains and industries for a large number of items from Nintendo switches to rare earths back to Japan or to friendly countries so as to minimize China's ability to wage economic blackmail; it will also provide aid to companies exporting optical fiber submarine cables⁷⁶ and has mandated that henceforth all of its coast guard's drones purchased be made in Japan or countries outside China.⁷⁷
- the United States has lobbied against adoption of Huawei's 5G on grounds that it is a threat to national security, threatening to withhold sensitive intelligence data that it previously shared, with mixed results, since Huawei's system is cheaper than its rivals. Japan, Australia, New Zealand, and the Faroe Islands will not adopt Huawei, while Britain will allow it limited access to help build the U.K.'s 5G

⁷⁴ Rachel Wong, "Gothenburg Axes Twin City Agreement with Shanghai as Sweden Closes All Confucius Institutes," Hong Kong Free Press, April 24, 2020. <https://hongkongfp.com/2020/04/24/gothenburg-axes-twin-city-agreement-with-shanghai-as-sweden-closes-all-confucius-institutes/>

⁷⁵ Kelsey Munro, "Australia's New Foreign Influence Laws: Who is Targeted" The Interpreter, Lowy Institute, December 5, 2018. <https://www.lowyinstitute.org/the-interpreter/australia-new-foreign-influence-laws-who-targeted>

⁷⁶ no author, "Government Looks To Counter China's Growing Submarine Presence," *Yomiuri*, January 8, 2020. <https://www.intellasia.net/govt-looks-to-counter-chinas-growing-submarine-cable-presence-756741>

⁷⁷ Hiroyuki Akiyama, "Japan Set To Give Domestic Drone Industry a Lift: Security Concerns over Chinese Devices Drives Efforts to Make Homegrowns Fly" *Nikkei*, February 2, 2020. <https://asia.nikkei.com/Business/Business-trends/Japan-set-to-give-domestic-drone-industry-a-lift2>

network.⁷⁸ Recent British pique over China's handling of the coronavirus pandemic has incentivized Conservative Party politicians who always opposed allowing Huawei to build the system, and China's part in constructing UK nuclear reactors as well, which may result in a reversal of the decision. German legislators have backed a position paper that recommends tougher rules while stopping short of banning Huawei entirely.⁷⁹

- Japan and the United States are cooperating in a Blue Dot network infrastructure plan to provide an alternative to the BRI.⁸⁰
- the United States has rejected China's claim to be "a near-Arctic state and an important stakeholder in Arctic affairs," saying that there are only two categories, Arctic states and non-Arctic states; it has pledged \$2.1 million in economic aid to Greenland in response to Chinese activities there, and is to open a consulate in Nuuk.⁸¹
- U.S. Senator Ted Cruz has introduced the SCRIPTS ("Stopping Censorship, Restoring Integrity, Protecting Talkies) Act, which would cut off Defense Department funding to film studios who censor films to accommodate Chinese pressure.⁸²

Many of the other suggestions arouse civil liberties concerns in the countries where they have been suggested. Critics argue that closer surveillance risks endangering the core values of liberal democracy---that in seeking to counter objectionable Chinese activities, we are becoming like them in order to resist them by adopting the very techniques we object to. Businesses who profit from manufacturing in China's lower-wage and less safety-standard conscious environment may not want to repatriate their operations. It is not easy for the states of a region to deal collectively with China, since they frequently compete with each other for contracts with China. Too often, the spokes continue to communicate with the wheel rather than with one another, and Beijing is adept at playing

⁷⁸ Rhyannon Bartlett-Imadegawa, "UK Bans Huawei, Cutting Gear from 5G Network by 2027" *Nikkei*, July 14, 2020 <https://asia.nikkei.com/Spotlight/Huawei-crackdown/UK-bans-Huawei-cutting-gear-from-5G-network-by-2027#>:

~:text=The%20U.K.%20government%20announced%20it,slow%20the%20rollout%20of%205G

⁷⁹ Andreas Rinke, "Merkel's Conservatives Stop Short of Huawei 5G Ban in German," *Reuters*, February 11, 2020. <https://www.reuters.com/article/us-germany-usa-huawei/merkels-conservatives-set-to-stop-short-of-huawei-5g-ban-in-germany-idUSKBN205146>

⁸⁰ John Reed, "U.S. Backs Infrastructure Scheme to Rival China's Belt and Road," *Financial Times*, November 4, 2019. <https://www.ft.com/content/5c0a6226-fed1-11e9-b7bc-f3fa4e77dd47>

⁸¹ Alex Fang, "US rejects China's 'near-Arctic state' claim in new cold war: Washington to open consulate in Greenland and give economic aid," *Nikkei* April 24, 2020 <https://asia.nikkei.com/Politics/International-relations/US-rejects-China-s-near-Arctic-state-claim-in-new-cold-war>

⁸² "Senator Cruz to Introduce Legislation Cutting Off Hollywood Studios Over Complicity in Chinese Censorship," Office of Senator Cruz, April 28, 2020. https://www.cruz.senate.gov/?p=press_release&id=5083

one spoke against the others. The Quad, a loose security arrangement among Australia, India, Japan, and the United States, to counter Chinese expansionism has yet to become a meaningful configuration.

Like-minded democracies must also make efforts to improve their own competitiveness. This will require concessions and compromises from citizens, unions, and political elites. We must provide a better education for those who are willing to receive it and be willing to pay more for products manufactured by factories where safety standards are enforced and whose workers receive health insurance and pension plans. These democracies must also work together to provide more attractive alternatives to those Chinese loans that have been accused of being debt traps.

If we wish to defend our democratic way of life against an authoritarian government who seeks to impose an alternative world order, we must recognize that the failure of states comes not from powerful external enemies alone but when those combine with deep internal divisions. Nations who balk at cooperation would do well to remember Benjamin Franklin's advice in 1776 to the contentious colonies in their fight for independence from Britain: we must all hang together or assuredly we will hang separately."