



The View from Beijing: What are China's Ambitions and Strategies?

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Introduction

Many Americans were slow to realize it, but Beijing's enmity for Washington began long before Donald J. Trump's election in 2016 or Xi Jinping's rise to power in 2012. The ruling Chinese Communist Party (CCP), to varying degrees, has always cast the United States as an antagonist. Then, three decades ago at the end of the Cold War, Beijing quietly revised its grand strategy to regard Washington as its primary external adversary and embarked on a quest for regional, followed by global, dominance.

While the United States and other free societies have shown up late to the contest of our lives, there are measures we can adopt now to convert vulnerabilities into strengths and to dampen the harmful effects on all nations of Beijing's political warfare.

First, the United States and its allies must take bolder steps to stem the flow of our capital into China's "military-civil fusion" enterprise and into Chinese companies that are complicit in technical surveillance and crimes against humanity. Second, we must frustrate Beijing's aspiration for leadership in, and even monopoly control of, high-tech industries, starting with semiconductor manufacturing. Third, we should undertake campaigns to expose and enfeeble Beijing's information warfare, which spews disinformation at us and sows division by exploiting American social media platforms that are banned inside China's own borders. We should also "return the favor" by making it easier for the Chinese people to access authentic news from outside China's Great Firewall.

Some have argued that because the CCP's ideology holds little appeal abroad, it poses little threat. Yet Communist ideology hardly appeals to the Chinese people, either. That has not prevented the party from dominating a nation of 1.4 billion people. The problem is not that many people will find Leninist totalitarianism alluring, but that Leninist totalitarianism, as practiced by the well-resourced and determined rulers of Beijing, has tremendous coercive power. As such, the ideological dimensions of our contest should never be ignored; indeed, they should be emphasized. Our values—liberty, independence, faith, human dignity, and (for most countries, still) democracy—are not only what we fight for. They are also among the most potent weapons in our arsenal because they contrast so starkly with what the CCP stands for, which is little more than its own power.

Relearning Political Warfare

The West's sluggishness to comprehend that it has been on the receiving end of an elaborate, multi-decade, hostile strategy by Beijing owed much to hubris following our triumph in the Cold War. We assumed the CCP would find it nearly impossible to resist the tide of liberalization set off by the collapse of the Berlin Wall. By helping enrich China, we believed we would loosen the party's grip on its economy, people, and politics, setting the conditions for a gradual convergence with the pluralistic West. Or so the thinking went.

But our miscalculation also stemmed from the methods the party employs to prosecute its grand strategy. With enviable discipline, Beijing for decades camouflaged its intention to ultimately challenge and overturn the U.S.-led liberal order. Western technologies that we assumed would democratize China were instead co-opted by Beijing to enhance the surveillance and control of its people—and to target a growing swath of the world's population outside China's borders. Western corporations and investors that would have been prohibited from doing business with the Soviet Union are systematically cultivated by Beijing to pay deference to its policies and lobby their home capitals on its behalf.

Beijing's methods are all manifestations of “political warfare” as defined by George Kennan in a 1948 memo that he issued from his desk at the State Department. Kennan wrote, “In broadest definition, political warfare is the employment of all the means at a nation's command, short of war, to achieve its national objectives.” Kennan credited the Soviets with “the most refined and effective” conduct of political warfare. Were he alive today, Kennan would marvel at the ways Beijing improved on the Kremlin's playbook.

Today, free and open societies are awakening again to the reality of political warfare. While there are holdouts—mostly academics and businesspeople—polls show that the general public in Europe, the United States, and several Asian countries are finally attuned to the malevolent nature of the regime in Beijing and its global ambitions. Beijing deserves credit here, too, given its “greatest hits” in 2020: covering up COVID, attacking Indian troops on its border, choking off trade with Australia, crushing the rule of law in Hong Kong, and intensifying its genocide against Uyghurs and other ethnic minorities within its borders.

Beijing’s Grand Strategy, in the Buff

Still, some observers remain confused about the sources of Beijing’s behavior, believing Xi’s repression represents an aberration from Communist Party history or, even more preposterously, that Beijing’s hostility is provoked by things the United States says or does.

Fortunately, new scholarly works and memoirs that delve deep into primary source materials make plain that the CCP has merely entered a new phase of a decades-old strategy and that it is the party’s very nature that best explains its malign conduct.

For his recent book *The Long Game: China’s Grand Strategy to Displace American Order* (2021), the American scholar Rush Doshi pored over Chinese leaders’ speeches, policy documents, and memoirs to document how Beijing came to set its sights on dismantling American influence around the globe. Three historic events badly rattled party leaders: the 1989 pro-democracy protests in Tiananmen Square, the lopsided American-led victory over Saddam Hussein’s forces in early 1991, and the collapse of the Soviet Union in late 1991.

“The Tiananmen Square protests reminded Beijing of the American ideological threat; the swift Gulf War victory reminded it of the American military threat; and loss of the shared Soviet adversary reminded it of the American geopolitical threat,” writes Doshi, who now serves on the National Security Council staff. “In short order, the United States quickly replaced the Soviet Union as China’s primary security concern, that in turn led to a new grand strategy, and a thirty-year struggle to displace American power was born.”

The grand strategy aimed first to dilute American influence in Asia, then to displace American power more overtly from the region and, ultimately, to dominate a global order in ways that suit and promote Beijing’s governance model.

That governance model isn't merely authoritarian, but "neo-totalitarian," according to Cai Xia, who served two decades as a professor in the highest temple of Chinese Communist ideology: the Central Party School in Beijing. Cai recently wrote that "the American strategy to 'engage' China has been deeply naïve." She added, "The Chinese Communist Party's fundamental interest and its basic mentality of using the U.S. while remaining hostile to it have not changed over the past seventy years."

In other words, Xi did not sire the party's strategy; he has merely shifted it to a more overt and aggressive phase. Had observers more carefully pondered Deng Xiaoping's precept that China "hide its capabilities and bide its time," they would have realized Deng's approach was always intended as a transient stage until China was strong enough to contest the United States openly.

Economic Warfare, Beijing-Style

Kennan considered economic statecraft a key component of political warfare. Beijing's approach bears some scrutiny here, since it is at the heart of the Communist Party's most recent five-year plan, published in March.

The economic concept Beijing is pursuing can be thought of as "offensive leverage." It has three components the world should be concerned about. The first entails decreasing China's dependence on high-tech imports while making the world's technology supply chains increasingly dependent on China. The second involves expanding China's status as the world's biggest importer of raw materials and working assiduously to ensure that any import from one country can be easily substituted with the same import from another country. The third is to then use the resulting leverage to advance Beijing's political objectives around the globe.

"We must sustain and enhance our superiority across the entire production chain ... and we must tighten international production chains' dependence on China, forming a powerful countermeasure and deterrent capability against foreigners who would artificially cut off supply [to China]," Xi said in a seminal speech last year.

Try not to be fooled by the seemingly defensive rationale. Beijing is already demonstrating its willingness to use its economic leverage offensively in pursuit of political goals.

Consider the case of Australia. More than a year ago, Australia proposed that the World Health Organization investigate the origins of the coronavirus pandemic. The idea was supported by nearly all the

members of the World Health Assembly, but Beijing decided to punish Canberra for its temerity. Beijing soon began restricting imports of Australian beef, barley, wine, coal, and lobster. Then Beijing released a list of 14 “disputes” that are, in effect, political demands made of the Australian government. They include a demand Australia repeal its laws designed to counter Beijing’s covert influence operations and that Australia muzzle its free press to suppress news critical of Beijing.

An American Counterstrategy

America’s China policy, then, beginning with the Trump administration and continuing under President Joe Biden, is best viewed as a belated *counterstrategy* to China’s decades-old grand strategy. What follows are a few areas where we need to strengthen our counterstrategy quickly.

First is in the realm of finance, since the retirement savings of Americans are being directed toward Beijing’s military modernization and toward Chinese companies complicit in genocide and other crimes against humanity. Executive orders by the Trump and Biden administrations led to a prohibition against Americans buying stocks or bonds in 59 named Chinese companies involved in the People’s Liberation Army’s modernization or complicit in human rights atrocities. This blacklist is a good start, but the U.S. Treasury Department needs to grow the list by an order of magnitude and to make clear that the subsidiaries of blacklisted companies are also off limits to American investors.

The EU should adopt a similar investment blacklist and permanently abandon the Comprehensive Agreement on Investment it negotiated with Beijing.

Second, American, European, and other governments should also challenge the naked hypocrisy of the “ESG” fad. This trend has led money managers to eschew investing in Western companies that do not meet professed environmental, social, and governance standards, even as they double down on investments in Chinese companies that feature atrocious records in all three categories.

Third, the U.S. Securities and Exchange Commission (SEC) has yet to fulfill its legal obligations under the Holding Foreign Companies Accountable Act of 2020, which prescribed an (overly generous) three-year grace period before delisting Chinese companies that fail to meet U.S. accounting standards. The SEC has yet to even start the clock on the three-year countdown.

Fourth, we must frustrate Beijing's plans to dominate semiconductor manufacturing. Chinese leaders are well aware that most 21st century technologies—from 5G telecommunications to synthetic biology and machine learning—are built on the foundation of advanced semiconductors. Accordingly, those leaders have thrust hundreds of billions of dollars in subsidies toward building Chinese chip foundries, with mixed results.

Currently, most of the world's cutting-edge logic chips are produced by Taiwan Semiconductor Manufacturing Company, and Beijing is undoubtedly engaged in scenario planning to determine whether a successful military invasion of Taiwan could result in China controlling the global supply of these chips. Beijing may be tempted to assume it would come out ahead of the United States even in a dire scenario if it believed it could recover more quickly. That is precisely the lesson Beijing drew from the Covid pandemic. Chinese officials have compared the human and economic costs of the pandemic to a "world war." Yet, judging by their self-congratulatory public assessments, it is a world war that Beijing benefited from in relative terms (which are the terms that matter to Chinese leaders).

To be sure, Beijing would not take so fateful a step as attacking Taiwan and risking war with the United States based on semiconductor inventories. The point is that Chinese leaders may not view the impact on semiconductor supply chains as an inhibitor to launching a war.

U.S. semiconductor policy, then, should aim to "run faster" by subsidizing the return of chip foundries to the United States—something the 2020 CHIPS Act and the United States Innovation and Competition Act of 2021 seek to do. Nonetheless, the U.S. Commerce Department must also slow down Beijing's aspirations to massively scale up its foundries by applying sharper restrictions on the export of U.S. semiconductor-making equipment.

Finally, there is the question of how to address Beijing's information warfare more effectively. In one of the weirder ironies of our time, U.S. social media giants routinely censor and even deplatform American citizens for political speech, while they simultaneously channel CCP disinformation and agitprop to millions of viewers worldwide.

Congress should seek to address both of these phenomena simultaneously, supporting the free speech of U.S. citizens while also pushing tech companies to expose and reduce the ways Beijing boosts its propaganda to far larger audiences than would naturally seek it out. This can and should be done in ways that uphold the

letter and spirit of the First Amendment. The idea is not to censor Beijing's posts, but to expose covert schemes and tamp down the sheer amplitude achieved by Beijing's heavy spending and well-resourced manipulation of algorithms. Foreign media ownership rules that were designed to prevent Nazi Germany from dominating American airwaves should be updated for the age of social media and artificial intelligence.

At the same time, free and open societies—and the companies that flourish in them—must make it easier for the Chinese people to access information from outside China's Great Firewall and to communicate with one another away from the watchful eye of Beijing's digital panopticon. One good place to start would be with the Chinese diaspora. The United States should hand a second smart phone to every Chinese national who comes to study in our country—one that is free from Chinese apps such as WeChat, which monitor users' phone activity and censor news feeds.

Conclusion

The failure of Beijing's recent attempt to coerce Australia provides an inspiring pathway for free and open societies. Beijing gambled that those Australian businesses hurting from Beijing's targeted trade embargo would lobby their government to make political concessions to Beijing. However, the Australian people—business leaders and exporters included—understood that if they accepted Beijing's ultimatum, it would mean Australia would have submitted to a dangerous new order.

Australian businesses ate the losses, weathered the embargo, and have had success finding new markets as substitutes for China. Australians decided their sovereignty was more important than lobster sales—no doubt confounding those in Beijing who had assumed Australia would put business interests ahead of values. The Communist Party, having played this card, will never be able to play it again with much effect on Australia—or against those who follow her lead.